

MALAYSIAN SUSTAINABLE PALM OIL**INITIAL ASSESSMENT
Public Summary Report**

BOUSTEAD PLANTATIONS BERHAD
Head Office: 19 th Floor Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia
Certification Unit: Boustead Emastulin Sdn Bhd – Segaria Business Unit Segaria Palm Oil Mill and Segaria Estate
Location of Certification Unit: P.O. Box 132 91308 Semporna, Sabah, Malaysia

Report prepared by:
Mohd Hafiz Bin Mat Hussain (Lead Auditor)

Report Number: 8852178

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Segaria Mill : 508110904000 Segaria Estate: 504677002000		
Company Name	Boustead Emastulin Sdn Bhd- Segaria Bussiness Unit		
Address	Head office : 19 th Floor Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia Certification Unit : P.O. Box 132, 91308 Semporna, Sabah, Malaysia		
Group name if applicable:	N/A		
Subsidiary of (if applicable)	Boustead Plantations Berhad		
Contact Person Name	Anuar Bin Semail / Nurul Hanani Binti Abdullah		
Website	www.bousteadplantations.com.my	E-mail	anuar.bea@boustead.com.my hanani.bea@boustead.com.my
Telephone	+603-2145 2121	Facsimile	+603-2144 7917

1.2 Certification Information			
Certificate Number	MSPO 682292 – Segaria POM MSPO 682293 – Segaria Estate		
Issue Date	22/03/2018	Expiry date	22/03/2023
Scope of Certification	Segaria Mill: Production of Sustainable Palm Oil and Palm Oil Products Segaria Estate: Production of Sustainable Oil Palm		
Stage 1 Date	12-13/10/2017		
Stage 2 / Initial Assessment Visit Date (IAV)	7-8/12/2017		
Continuous Assessment Visit Date (CAV) 1			
Continuous Assessment Visit Date (CAV) 2			
Continuous Assessment Visit Date (CAV) 3			
Continuous Assessment Visit Date (CAV) 4			
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
AR1109	ISO 9001:2008	SIRIM QAS International Sdn Bhd	20 th July 2018

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Segaria Estate	P.O. Box 132, 91308 Semporna, Sabah, Malaysia	118° 24' 03.8"	4° 29' 54.3"
Segaria Palm Oil Mill	P.O. Box 132, 91308 Semporna, Sabah, Malaysia	118° 23' 54.6"	4° 28' 54.3"

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Segaria Estate	0.00	1,267.20	2,420.40	777.50	0.00

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Projected (Dec 16 – Nov 17)	Actual production (Dec 16 – Nov 17)	Projected production (Dec 17 – Nov 18)
Segaria Estate	102,900.00	97205.90	98,200.00

1.6 Certified Tonnage			
Mill Capacity: 30 MT/hr	Estimated (Dec 16–Nov 17)	Actual (Dec 16–Nov 17)	Forecast (Dec 17– Nov18)
	FFB	FFB	FFB
	N/A	N/A	98,200 mt
SCC Model: IP	CPO (OER: %)	CPO (OER: %)	CPO (OER: %)
	N/A	N/A	22,525 mt (22.93)
	PK (KER: %)	PK (KER: %)	PK (KER: %)
	N/A	N/A	3,900 mt (3.97)

1.7 Description of Supply Base					
Estate	Total Planted (Mature + Immature)(ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Segaria Estate	4,465.10	134.90	146.20	4,746.20	94%

1.8 Details of Certification Assessment Scope and Certification Recommendation:
<p>BSI Services Malaysia Sdn Bhd has conducted the Initial Assessment of Boustead Emastulin Sdn Bhd – Segaria Business Unit, located in Semporna, Sabah comprising Segaria Palm Oil Mill, Segaria Estate and infrastructure. The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance. The onsite assessment was conducted on 7-8 December 2017.</p> <p>Based on the assessment result, Segaria Palm Oil Mill and Segaria Estate complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and recommended for certification.</p>

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
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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.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 7-8 December 2017. The audit programme is included as Appendix A. The approach to the audit was to treat the Segaria Palm Oil Mill and Segaria 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 HCVs, declared conservation areas and local communities. Prior to audit conducted, public consultation was made on 3/11/2017 – 4/12/2017; refer <https://www.bsigroup.com/en-MY/RSPO-MSPO-Certification/MSPO-clients-and-reports1/>

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 and MS 2530-4:2013 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 $N = 1.0\sqrt{y}$ where y 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 $(1.0\sqrt{y}) \times (z)$; where 1.0 is the risk factor (may defer to 1.2 and 1.4 depending on risk), where y is total number of group members and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

The assessment findings for this assessment are detailed in Section 4.2.

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

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

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 4)	Year 5 (ASA 5)
Segaria Palm Oil Mill	√	√	√	√	√
Segaria Estate	√	√	√	√	√

Tentative Date of Next Visit: October 18, 2018 - October 19, 2018

Total No. of Mandays: 4.5

BSI Assessment Team:**Mohd Hafiz Mat Hussain – Lead Auditor**

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2016. He had been involved in RSPO auditing since May 2013 within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Liberia. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

Hafriazhar Mohd Mokhtar- Team Member

Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea and Solomon Islands. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Hu Ning Shing – Team Member

She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social. She is fluent in Bahasa Malaysia and English languages.

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 Initial Certification Assessment there were five (5) Major nonconformities & one (1) Minor nonconformities raised. The Segaria Palm Oil Mill and Segaria Estate Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Major Nonconformities:		
Ref	Area/Process	Clause
1559774-201712-M1	Segaria Palm Oil Mill	Part 4: [4.6.1.2]
Requirements:	All palm oil mills shall implement best practices	
Statement of Nonconformity:	During the audit, there is no Visiting Engineering Visit Report available for review.	
Objective Evidence:	Visiting Engineering Visit for Segaria POM was conducted on 22/2/2017 by Deputy Group Engineer, Group Engineering Department. However, the report yet to receive.	
Corrections:	Mill has sent an email to ask for it on 07.12.2017.	
Root cause analysis:	Pending reply from respective Visiting Engineer	
Corrective Actions:	To ensure that the report to be always available after each visit within timeframe. Normally mill will be visited every 6 monthly and the report expected to be issued a month after the visit for mill to respond. Efficient follow up practice between mill and Visiting Engineer in the future will avoid similar incident to happen again.	
Assessment Conclusion:	All evidences submitted found adequate. Visiting Engineering Visit report was sighted. Report no:10/2017 date of visit 21-22/2/2017 by deputy group engineer. Hence, the major NC was closed on 19/1/2018.	

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Major Nonconformities:		
Ref	Area/Process	Clause
1559774-201712-M2	Segaria Palm Oil Mill	Part 4: [4.4.5.7]
Requirements:	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.	
Statement of Nonconformity:	The time recording system for rest day was not implemented effectively.	
Objective Evidence:	<p>Some of the workers have changed their off day in practice but in the Thumb Print System still shown the previous off day which caused confusion on the calculation of work on rest day. Sampled of workers' Electronic Time Card as below:</p> <p>a. Employee No.: 0321F changed from Thursday to Tuesday b. Employee No.: 0403E changed from Wednesday to Saturday</p>	
Corrections:	New configuration made to suit with the respective employee on 07.12.2017	
Root cause analysis:	Old setting in attendance data recording yet to be configured.	
Corrective Actions:	To ensure that the data recording in the system is always up to date and do correct setting if any necessary changes needed.	
Assessment Conclusion:	<p>All evidences submitted found adequate. Electronic Time card was sighted and updated for all workers at Segaria POM.</p> <ol style="list-style-type: none"> 1. Employee No.: 0321F Rest day on Tuesday 2. Employee No.: 0403E Rest day on Saturday 3. Employee No: 0302G Rest day on Sunday 4. Employee No:0305H Rest day on Friday 5. Employee No: 0307B Rest day on Sunday 6. Employee No:0321F Rest day on Tuesday <p>Hence, the major NC was closed on 19/1/2018.</p>	

Major Nonconformities:		
Ref	Area/Process	Clause
1559774-201712-M3	Segaria Palm Oil Mill and Segaria Estate	Part 3 and Part 4: [4.4.5.9]
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
Statement of Nonconformity:	Wages of work on rest day was not paid according to Sabah Ordinance (Sabah Cap. 67) amended as at 10.02.2005 by Act A1238, Section 104C. (2) (a) and (b).	
Objective Evidence:	<p>Sampled of payslip for the workers found that their work on rest day were not paid in accordance to Sabah Ordinance (Sabah Cap. 67) amended as at 10.02.2005 by Act A1238, Section 104C. (2) (a) and (b) "An employee employed on a daily, hourly or other similar rate of pay who works on a rest day shall be paid for any period of work—</p> <p>(a) which does not exceed half his normal hours of work, one day's wages at the ordinary rate of pay; or (b) which is more than half but does not exceed his normal hours of work, two days' wages at the ordinary rate of pay" as below for November 2017:</p> <p>a. Employee No.: 0102E (Segaria POM) b. Employee No.: 0321F (Segaria POM) c. Employee No.: 0225C (Segaria POM) a. Employee No.: 1240 (Segaria Estate) b. Employee No.: 1085 (Segaria Estate) c. Employee No.: 1903 (Segaria Estate)</p>	
Corrections:	<p>Segaria Mill: Immediate payment of the arrears to all respective employees made on 11.12.2017.</p> <p>Segaria Estate: Payment has been made to the respective workers on 18/12/2017.</p>	
Root cause analysis:	Yet to establish a system for tracking employees that plan to work in rest day.	
Corrective Actions:	<p>Segaria Mill: Payment for working in rest day to be followed with Sabah Labour Ordinance (Sabah Cap. 67) amended as at 10.02.2005. Mill has started a system where all employee need to apply for working on rest day with specific form 3 days before commencement of work (please refer attachment). By having this system, better monitoring and wages calculation is expected any potential error can be avoided.</p> <p>Segaria Estate: All employees have been informed during muster call whoever have been offered to work by their respective Staff on rest day (Friday) or public holiday must come to office latest by 6.00 a.m to report their attendance to the assigned staffs on duty at both Main and Sipit division.</p>	
Assessment Conclusion:	<p>Segaria Estate;-</p> <p>1. Employee No.: 1240 for 26/11/2017 (Segaria Estate) Payment voucher for November 17- Under pay Rest day work - RM35.38 x 2 = RM70.76, Paid on 7/11/17=RM35.38 (Balance RM35.38) Under pay rest day o/t - RM35.38 x 2=RM8.845/hrs x 4 = RM35.38, Paid on 7/11/17 =RM26.54, Balance RM8.84 (paid on 18/12/17-Voucher No C12/17) Pay Slip December 2017</p>	

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	<p>Total work day - 24days Work on PH - 1 day =RM106.14 Normal OT -89hrs = RM590.40 PH O/T-3 hrs = RM39.80</p> <p>2. Employee No.: 1085 for 2/11/2017, 9/11/2017, 16/11/2017, 23/11/2017 and 30/11/2017 (Segaria Estate) Payment voucher for November 17- Rest day work - RM35.38 x 5days x 2 = RM353.80, Paid on 7/11/17 = RM176.90, Balance RM176.90 Under pay rest day o/time- RM35.38/8x2=RM8.845/hrs x 22 = 194.59, Paid on 7/11/17= RM145.94, Balance RM48.65 (paid on 18/12/17-Voucher No C12/18 :RM225.55) Pay Slip December 2017 Normal OT-96hrs =RM636.84 Public Holiday 2 days = RM212.28 PH OT 8Hrs= RM106.14 Total day worked - 23 days (no work on rest day)</p> <p>3. Employee No.: 1903 for 3/11/2017, 17/11/2017 and 24/11/2017 (Segaria Estate) Payment voucher for November 17- Rest day work - RM0.2696 x 654 bunches x 2= RM352.64, Paid on 7/11/17 = RM176.32, Balance RM176.32 (paid on 18/12/17-Voucher No C12/16) Pay Slip December 2017 Total day worked - 23 days (no work on rest day)</p> <p>4. Employee No: 1972 Total day worked - 24 days (no work on rest day)</p> <p>5. Employee No: 1782 Total work day-25 days Normal o/t-78hrs =RM517.43 work on PH- 1day =RM106.14 PH o/t- 3 hrs =RM39.80</p> <p>Segaria POM</p> <p>1. Employee No.: 0102E (Segaria POM) Payment voucher (C07) for November 17- Rest day work - 1 day =RM72.80, paid on Nov 17 =RM63.70, balance RM9.10 (paid on 11/12/17) Pay slip Dec 17- day work -21 days (RM764.40), OT normal days-42hrs (RM286.65), work rest day-3 days (RM218.40), PH worked-1 day (RM109.20)</p> <p>2. Employee No.: 0321F (Segaria POM) No issue, no underpaid for Nov 17 Payslip December 17-day worked-22.5days (RM888.75), Normal OT hrs-24hrs (RM177.75), Rest day- 3 days (RM237.00)</p>
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	<p>3. Employee No.: 0225C (Segaria POM) Payment voucher (C06) for November 17- Rest day work - 1 day =RM72.80, paid on Nov 17 =RM45.50, balance RM27.30 (paid on 11/12/17) Payslip December 17- worked day-23days (RM837.20), normal day OT - 33hrs (225.23), rest day-2 days (RM145.60), Rest day OT- 6hrs (RM54.60), PH work -1 day (RM109.20)</p> <p>All the evidence sighted found adequate. The management has paid in accordance to Sabah Ordinance (Sabah Cap. 67) for December 2017 payment. Thus, Major NC was closed on 19/1/2018.</p>
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Major Nonconformities:		
Ref	Area/Process	Clause
1559774-201712-M4	Segaria Palm Oil Mill and Segaria Estate	Part 3 and Part 4: [4.6.4.1]
Requirements:	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.	
Statement of Nonconformity:	There was no special clause on MSPO compliance stated in the contract agreement that signed by the contractors.	
Objective Evidence:	<p>Sampled of the contract agreements found that a special clause on MSPO compliance where applicable to them was not stated on the agreement as below:</p> <p>a. Company Name: Jacphenie Shipping & Freight Forwarding Sdn Bhd for transporting CPO from mill to buyers which valid from 1/1/2017 to 31/12/2017. (Segaria POM)</p> <p>b. Company Name: Yee Ping Trading for transporting Palm Kernel from mill to buyers which valid from 1/1/2017 to 31/12/2017. (Segaria POM)</p> <p>c. Company Name: Syarikat Perdagangan Lean Soon Hung Sendirian Berhad for transporting CPO from mill to buyers which valid from 1/1/2017 to 31/12/2017. (Segaria POM)</p> <p>d. Contract No.: 2017-02 for FFB transport from field to Segaria POM which valid from 1/1/2017 to 31/12/2017. (Segaria Estate)</p> <p>e. Contract No.: 2017-04 for FFB transport from field to Segaria POM which valid from 1/1/2017 to 31/12/2017. (Segaria Estate)</p>	
Corrections:	Immediately ask for assistance from Marketing and Sustainability Department to prepare new contract with new terms.	
Root cause analysis:	Follow the previous contract term as mill is yet to be certified.	
Corrective Actions:	Come out with new terms which include MSPO compliance in new contract onwards.	
Assessment Conclusion:	<p>Segaria Estate: Contract No:2018-01 : FFB Transport Contract between Ladang Segaria and Agensi Pekerjaan JBM Sdn Bhd</p> <p>FFB Transport agreement was sighted, stated " The contractor shall comply with RSPO, MSPO, EQA and any other relevant enhancement or by laws pertaining to occupational safety and health and the environment or any subsequent modification(s) and or re-enactment(s) thereof.</p>	

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	<p>Segaria Mill:</p> <ol style="list-style-type: none"> 1. Company Name: Jacphenie Shipping & Freight Forwarding Sdn Bhd for transporting CPO from mill to buyers, dated 1/1/2018 2. Company Name: Yee Ping Trading for transporting Palm Kernel from mill to buyers, dated 1/1/2018 3. Company Name: Syarikat Perdagangan Lean Soon Hung Sendirian Berhad for transporting CPO, dated 1/1/2018 <p>All the evidence sighted found adequate. Thus, Major NC was closed on 19/1/2018.</p>
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Major Nonconformities:		
Ref	Area/Process	Clause
1559774-201712-M5	Segaria Palm Oil Mill and Segaria Estate	Part 3 and Part 4: [4.4.5.11]
Requirements:	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.	
Statement of Nonconformity:	Provision of basic amenities for water supplies not fully in compliance with Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446)	
Objective Evidence:	<p>Segaria POM: Sampling analysis of drinking water supplies was not based on National Drinking Water Quality Standard as per Certificate of Analysis Lab Ref. No.: 20171011/19B for Sample Marking: Domestic - Japanese Pond (Outlet)</p> <p>Segaria Estate: Sampling analysis of drinking water supplies was not based on National Drinking Water Quality Standard as per Certificate of Analysis Lab Ref. No.: 20171011/20B for Sample Marking: Sipit Division (Outlet)</p>	
Corrections:	All the drinking water samples was sent out for testing on 06.12.2017.	
Root cause analysis:	Misinterpretation on actual parameters that have to be tested.	
Corrective Actions:	To maintain the good exercise of sending out drinking water sample in accordance with drinking water parameters test within 6 months period. Proper drinking water monitoring book is initiated similar to how mill maintain all the record for effluent treatment plant as per regulatory requirement.	
Assessment Conclusion:	<p>Drinking water analysis was conducted on 8/12/17 by Dynakey Laboratories Sdn Bhd. 25 parameters were tested as per National Standard for Drinking Water Quality, 2nd Version, January 2004 by MOH. Eg: Total coliforms, Zinc, Total hardness, Manganese, Mercury etc. All parameters were found within the limits.</p> <p>Report :20171213/08 (Sample A, Taman Ria-Perumahan Pekerja Estate)</p> <p>Report: 20171213/09 (Sample B-Perumahan Staff kilang)</p> <p>Report:20171213/10 (Sample C,Taman Mewah-Estate Main Div)</p> <p>Report:20171213/11 (Sample D, Taman Indah-Sipit Division)</p>	

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Report:20171213/12 (Sample E, Taman Segar-Perumahan Pekerja Kilang) All the evidence sighted found adequate. Thus, Major NC was closed on 19/1/2018.

Minor Nonconformities:		
Ref	Area/Process	Clause
1559774-201712-N1	Segaria Palm Oil Mill and Segaria Estate	Part 3 and Part 4: [4.4.1.1]
Requirements:	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.	
Statement of Nonconformity:	SIA report has yet to be received and management plan to mitigate the negative impacts and promote the positive ones was not available.	
Objective Evidence:	SIA was carried out by MEC on 28/9/2017. However, the report has yet to be received and management plan was not available.	
Corrections:	Root cause: Pending final report by MEC. Correction: Immediately liaise with sustainability department to get necessary assistance.	
Corrective Action Plan:	To ensure that report is available within two weeks' time and reply any comment in the report if necessary.	
Assessment Conclusion:	CAP was accepted. The effectiveness of the corrective action will be verified during next assessment.	

Noteworthy Positive Comments	
1.	SPOM & SE- Positive comments from all stakeholders interviewed
2	SPOM & SE-Good sanitation at workers housing complex
3	SPOM-Proper storage for scheduled waste
4	SPOM-Consistent implementation of monitoring as per DOE license compliance schedule
5	SPOM-Good implementation of hazard signages at all station
6	SE-Construction of sport facilities (CSR) & facilities for sprayer in Sipit Division
7	SE- Good implementation of Pollen Box for pollination

3.3 Status of Nonconformities Previously Identified and OFI

Not applicable since this is Initial Assessment.

3.4 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: DOE, Tawau - He explained that Segaria POM and Segaria Estate were comply with applicable legal and act related to environment.</p> <p>Management Responses: The management will continue to comply with the legal requirement.</p> <p>Audit Team Findings: Verified DOE Logbook, no issue was raised by the officer.</p>
2	<p>Issues: DOSH, Tawau - She explained that Segaria POM and Segaria Estate were comply with OSHA, FMA and other requirement. During the last visit by DOSH, no major issue was raised.</p> <p>Management Responses: The management will continue to comply with the legal requirement.</p> <p>Audit Team Findings: Verified DOSH Logbook, there is no issue was raised.</p>
3	<p>Issues: Imigration Department, Semporna - He explained that Segaria POM and Segaria Estate were comply with applicable legal and act related to Imigration. No major issue.</p> <p>Management Responses: The management will continue to comply with the legal requirement.</p> <p>Audit Team Findings: Document review found that no issue was sighted related to Immigration Act.</p>
4	<p>Issues: Agensi Pekerjaan JBM Sdn Bhd – They informed that the payment was made promptly and they signed contract agreement with the management.</p> <p>Management Responses: The management was made payment promptly according to the agreement signed.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Issues: Workers’ Committee Representatives (Segaria Estate): They were no issue with the management. They informed that all the issues raised during the meeting has been resolved by the management. No discrimination has occurred by the management based on gender, nationalities, religion and etc. They well aware of the MSPO requirements and complaint procedure.</p> <p>Management Responses: The management will ensure that all the issues raised in future will be solved accordingly.</p> <p>Audit Team Findings: No other issue.</p>
6	<p>Issues: Contractors: They informed that they were signed on the contract agreement prior the services and understood the terms and conditions. Payment was made promptly according to the agreement. They maintained a good relationship with the management.</p> <p>Management Responses: The management will continue to maintain good relationship with the contractors and make payment promptly.</p> <p>Audit Team Findings: Verified the records of payment found that the management was made payment according to terms stated in the agreement.</p>

7	<p>Issues: Gender Committee Representatives (Segaria Estate): They informed that no sexual harassment or violence case reported so far. They aware on the complaint procedure and the function of the establishment of gender committee. They also informed that the management treated them equally without discrimination on gender.</p> <p>Management Responses: The management will continue to monitor if there is any case of sexual harassment or violence reported.</p> <p>Audit Team Findings: No further issue.</p>
8	<p>Issues: Ketua Kampung Taman Indah and Taman Mewah: They informed that the housing was in good condition. Free water and electricity were supply to them without any charges. Other basic amenities such as church, mosque, and recreational facilities were provided to them.</p> <p>Management Responses: Linesite inspection was carried out on weekly basis to inspect the condition of the housing.</p> <p>Audit Team Findings: Verified the inspection records found that it was been carried out on weekly basis by Estate Hospital Assistant.</p>
9	<p>Issues: Community Learning Centre Teacher: The teacher informed that all the buildings and maintenance was carried out by the company. He was requested the company to construct resting cottage and additional classrooms for the children.</p> <p>Management Responses: The management was allocated a budget for construction of new mosque by next year and will converted the current mosque into new classrooms for CLC. For the resting cottage, the management will consider and will get approval from top management in future.</p> <p>Audit Team Findings: This will be verified during next audit.</p>
10	<p>Issues: Crèche Attendant: She informed that her salary was achieved Minimum Wage Order 2016. There were 5 attendants in the crèche to take care the children.</p> <p>Management Responses: The management will ensure to pay the salary according to Minimum Wage Order 2016.</p> <p>Audit Team Findings: No further issue.</p>
11	<p>Issues: Workers' Representative (Segaria POM): They informed that the road condition in front of housing area during dry season caused dusty in their house. Besides, they informed that the quality of treat water was unsatisfied as it was smelly and muddy.</p> <p>Management Responses: The management has planned to construct polymer road at the area. Measurement of the road was carried out accordingly and the construction will be carried out after the budget approved by top management. Besides, the company was sent the treated water for testing on 7/12/2017.</p> <p>Audit Team Findings: Seen the Summary Road Measurement and map of the road which proposed to construct polymer road. These will be verified during next audit.</p>
12	<p>Issues: Gender Committee Representatives (Segaria POM): They informed that no sexual harassment or violence case reported so far. They were aware of the complaint procedure and the function of the</p>

	establishment of gender committee. They also informed that the management treated them equally without discrimination on gender.
	Management Responses: The management will continue to monitor if there is any case of sexual harassment or violence reported.
	Audit Team Findings: No further issue.

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1559774-201712-M1	Major	8/12/2017	Closed on 19/1/2018
1559774-201712-M2	Major	8/12/2017	Closed on 19/1/2018
1559774-201712-M3	Major	8/12/2017	Closed on 19/1/2018
1559774-201712-M4	Major	8/12/2017	Closed on 19/1/2018
1559774-201712-M5	Major	8/12/2017	Closed on 19/1/2018
1559774-201712-N1	Minor	8/12/2017	"Open"

3.6 Summary of the findings by Principles and Criteria

A) MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders – Segaria Estate

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 -	The MSPO Policy was established where the policy was signed by Sr General Manager of Boustead Plantations Berhad on 1/11/2014.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The policy was emphasize on the engagement and commitment to produce sustainable palm oil with the objective of improving the milling and estate operation.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal Audit was conducted once a year by Sustainability section, the 1 st internal audit was conducted on 30/10-2/11/2017 (Segaria POM and estate) to cover the entire criterion stated in the standard. Internal audit was lead by Mr Hafizi Bin Boniran and assist by Mr Azrin Mazhidi as a team member. The internal auditors were found competent to conduct the audit. Sighted the competency certificate by SIRIM QAS International Sdn Bhd which was conducted on 26-27/11/2015. During the internal audit, there was 5 Major NC and 11	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		OFI was issued. All the findings were closed accordingly on 8/11/2017.	
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 -	Internal audit procedure dated July 2015 was established by the management to include audit frequency, audit schedule, audit team, performing audit, audit responsibility and etc. Internal audit shall be carried out once a year.	Complied
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	All records related to Internal Audit was maintained and available at Segaria Estate for review.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The management review was conducted accordingly. The 1 st Management Review was conducted on 2/11/2017 which was chaired by Sustainability Chairman. All the committee members were involved during this 1 st Management Review. All the agenda were found adequate.	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	Segaria Estate has developed a Continual Improvement Plan for 2017 as below: 1. Cummins Genset 2. Sincos Post Hole Digger (Auger)	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	3. Water Reservoir/Tank	
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 -	Currently, there was no new techniques or technology that implemented at Segaria Bussiness Unit.	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 -	Segaria Estate was developed a Continual Improvement Plan for 2017 as below: 1. Cummins Genset 2. Sincos Post Hole Digger (Auger) 3. Water Reservoir/Tank	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	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. - Major compliance -	Segaria Estate was maintained records of request and response, for example land titles, OSH plans, documents relating to environmental and social issues, plans for pollution prevention, complaints and grievances records, that make available upon request.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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>Segaria 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. All the policies such as Pesticide Use Policy, Human Rights Policy, Foreign Workers Policy and etc were publicly available in the company's website: www.bousteadplantations.com.my. Others sustainability practices were also available in the website.</p>	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Boustead Emastulin Sdn Bhd was developed a Communication Procedure. The procedure is to handle communication for internal and external stakeholders. The methods of communication such as formally write in, through phone call, discussion or meeting and etc. External Communication Form (PKSJ-001) and Communication Record (PKSJ-002) was implemented.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>Staff of Segaria Estate was appointed as Social Officer to handle any social issues. Letters of appointment dated 1/6/2017 were sighted.</p>	Complied
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to</p>	<p>Stakeholder list FY 2017 was available in Segaria Estate. The list was included contractors and suppliers, government authorities, school's representatives and etc.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>Stakeholder meeting was carried out on 22/8/2017 for the whole complex with the participation of relevant parties such as neighboring plantations, government authorities, school’s representatives, contractors, internal workers and etc. Meeting minutes was sighted and no issue was raised but only suggestions were given to the management such as to organize sport day for the school and etc.</p> <p>There was an internal stakeholder meeting conducted on 23/9/2017. Meeting minutes was sighted and issues or comments raised were explained on the spot by the management.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>Segaria Palm Oil Mill and Estate implemented the supply chain program based on Bousted Plantations Supply Chain (SCC) Procedures; Issue 1; Issue date: July 2016; Rev. # 2; Rev. date: October 2017. The procedure was prepared by Segaria Business Unit and approved by Sustainability Chairman which covering the implementation of all supply chain requirements for both POM and estate.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Regular inspections on compliance with the established traceability system were conducted through periodical internal audit as specified in Criterion 4.1.2 of this checklist. Furthermore, a Standard Operating Procedure; Effective date: 2/5/2012; Chapter 1: Administrative</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Procedure; Section 1.1 Internal Office Control sighted available that described the routine responsibilities of estate management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly.	
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The procedure also specified that the Sustainability Chairman shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from various departments to assist in the implementation. Sighted the Letter of Appointment; Ref. # BEA/SUST-RSPO/SEGARIABU; Dated: 1/11/2017 for the appointment of Mill Manager as the Sustainability Chairman for Segaria Palm Oil Mill and estate. Appointment made by the company group Sustainability Chairman.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Records of FFB sales & delivery including FFB Weighbridge Tickets together with FFB Delivery Note (DO Chit) and Daily Record (Daily FFB Despatch Summary Log Book) were maintained based on Standard Operating Procedure; Effective date: 2/5/2012; Chapter 7: Sales of Produce Ex-Estate/Mill Procedures; Section 7.1 FFB Sales and Despatches & Chapter 13: Retention of Documents which specified a minimum retention period of 7 years prior of disposal. Sighted samples record available as following: i) FFB Weighbridge Ticket # 41680; DO # A86464; Date: 30/11/2017; Nett Weight: 8,010 kg; Field: PM05C2/33B; Vehicle # ST4641J ii) FFB Weighbridge Ticket # 41763; DO # A86537; Date: 3/12/2017; Nett Weight: 2,150 kg; Field: PM04D1/31A &	Complied

Criterion / Indicator		Assessment Findings	Compliance
		PM05C2/33B; Vehicle # KT02	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	The list of permit and license required for the operations of the estate was sighted. The sample of permit and license: 1. Provisional Lease : 26290060 dated 24/10/74 (7,317 Acre) Ref No:L.S.1210/1/3/II,25/8/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bhd 2. Provisional Lease : 126290122 dated 1/1/65 (4,012 acres) Ref. No: L.S.1210.1.3/II, dated 20/5/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bhd 3. Provisional Lease : 125311284 dated 17/4/75 (398.9 Acres) Ref. No: L.S.1210.1.319, dated 20/5/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bhd 4. MPOB License: 504677002000 expiry 31/3/18, 4465.1 Ha	Complied
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal: 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act	Complied

Criterion / Indicator		Assessment Findings	Compliance
		7. Local Government Act	
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>LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act <p>Last evaluation was conducted on 16/10/17.</p>	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>Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website information and the information are communicated from the Head Office (Sustainability Section). Boustead Plantations Berhad have centralised system for tracking any changes in the law and subscribe into Lawnet. The latest communication was done on 22/11/2017 regarding FMA (Exemption of Certificate for Unfired Pressure Vessel) Order 2017.</p>	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation	<p>Segaria Estate hold 3 land title (under Boustead Emastulin Sdn Bhd:</p> <ol style="list-style-type: none"> 1. Provisional Lease : 26290060 dated 24/10/74 (7,317 Acre) Ref 	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>No:L.S.1210/1/3/II,25/8/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bhd</p> <p>2. Provisional Lease : 126290122 dated 1/1/65 (4,012 acres) Ref. No: L.S.1210.1.3/II, dated 20/5/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bad</p> <p>3. Provisional Lease : 125311284 dated 17/4/75 (398.9 Acres) Ref. No: L.S.1210.1.319, dated 20/5/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bhd</p>	
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>Segaria Estate hold 3 land title (under Boustead Emastulin Sdn Bhd:</p> <p>1. Provisional Lease : 26290060 dated 24/10/74 (7,317 Acre) Ref No:L.S.1210/1/3/II,25/8/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bhd</p> <p>2. Provisional Lease : 126290122 dated 1/1/65 (4,012 acres) Ref. No: L.S.1210.1.3/II, dated 20/5/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bad</p> <p>3. Provisional Lease : 125311284 dated 17/4/75 (398.9 Acres) Ref. No: L.S.1210.1.319, dated 20/5/2005 change of name from Ladang Segaria Sdn Bhd to Boustead Emastulin Sdn Bhd</p>	Complied
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>A legal boundary was clearly demarcated. Site visit to boundary at field 94B with Hatawa (Tawau) Sdn Bhd, found that the boundary stone (04° 30.723' N, 118° 22.546' E) was maintained and peg using wooden peg.</p>	Complied
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been</p>	<p>There was no land dispute in the Segaria Certification Unit at the time of audit. The lands were country leased and provisional lease to Boustead Emastulin Sdn Bhd via verified with the land titles. The surrounding were owned by smallholders and other plantation's companies. There was no encroachment of land by the Segaria</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	accepted with free prior informed consent (FPIC). - Minor compliance -	Certification Unit.	
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The estate lands were legally owned and leased by the company. The existing estates were not encumbered by any customary land rights. The company was constructed trenches, wooden pegs and painted the palms to differentiate the land boundaries. No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	The estate lands were legally owned and leased by the company. The existing estates were not encumbered by any customary land rights. The company was constructed trenches, wooden pegs and painted the palms to differentiate the land boundaries.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit. Trenches, wooden pegs and boundary stones were maintained to differentiate the land ownership.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>SIA was carried out by MEC on 28/9/2017. However, the report was yet to be received and management plan to mitigate the negative impacts and promote the positive ones was not available.</p> <p>Thus, a minor non-conformance was raised.</p>	Minor nonconformance
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The company was developed Whistleblowing Policy dated 11/1/2011 signed by Senior General Manager. The company was prepared a formal mechanism to handle all the complaints reported. A Complaint/ Suggestion Flowchart was available where it explained the procedure to lodge complaints.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Segaria Estate was implemented Request and Response form and Complaint/ Suggestion form to record any requests, complaints and grievances by the stakeholders. The estate management was take action or planned action to rectify the complaints raised by the stakeholders. For eg: The Auxiliary Police was requested the management to supply basic amenities in the cabin and uniforms on 14/11/2017. The management was agreed to supply table, chairs, cabinets and etc as well as the uniforms to them. The management was made order for the uniforms but has yet to receive. Seen the purchase order no. 16451 for total 12 pieces. Besides, tax invoice no. I-003225 for the purchase of cabinet was sighted.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint form was available at the office. Besides, suggestion box was available in the linesite and office area where the stakeholders were able to lodge complaint or suggestion at any time.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Interviewed with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.	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 management was started to implement the complaint form since October 2017. The records of complaint were available from October 2017 up to date. Seen the records of complaint that lodged by the stakeholders mainly on housing repair.	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 -	Segaria Estate was made donation to the stakeholders upon requests. For eg: the estate was made donation for school's activities such as graduation event, contribution to workers' family who suffer with stroke and etc. Seen the payment vouchers for the donations as below: <ul style="list-style-type: none"> a. Voucher No.: C11/05 dated 13/11/2017 b. Voucher No.: C08/10 dated 14/9/2017 c. Voucher No.: C08/17 dated 23/8/2017 	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
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 -	Segaria Estate was established Safety and Health Policy, dated 1/6/2012 signed by Managing Director. OHS plan for 2017 dated 1/1/2017 was been established. The OHS plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management, safety committee activities and etc.	Complied												
4.4.4.2	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 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	a) The communication of safety and health policy was conducted according to the workforce on 7/4/17. Through interview with workers, they were understood on issue related to OSH and MSPO. b) SOP for HIRARC was established. Last reviewed of the assessment was done on 3/7/2017 (Segaria Estate) to include Harvesting, Manuring, Spraying, Nursery, Replanting and etc. c) A formal training programme on all aspects of OSH and MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied. The records of training were available at estate office. Sample training checked: <table border="1" data-bbox="1137 1230 1749 1396"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>13/3/2017</td> <td>Harvesting</td> <td rowspan="4">Segaria Estate</td> </tr> <tr> <td>7/4/17</td> <td>PPE Implementation</td> </tr> <tr> <td>6/4/17</td> <td>Manuring</td> </tr> <tr> <td>5/10/17</td> <td>Spraying</td> </tr> </tbody> </table>	Date	Training	Remark	13/3/2017	Harvesting	Segaria Estate	7/4/17	PPE Implementation	6/4/17	Manuring	5/10/17	Spraying	Complied
Date	Training	Remark													
13/3/2017	Harvesting	Segaria Estate													
7/4/17	PPE Implementation														
6/4/17	Manuring														
5/10/17	Spraying														

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Criterion / Indicator	Assessment Findings		Compliance														
<p>place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>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>	<table border="1"> <tr><td>23/7/17</td><td>P&D</td></tr> <tr><td>23/10/17</td><td>Tractor Driver</td></tr> <tr><td>15-16/11/17</td><td>First Aid</td></tr> <tr><td>9/10/17</td><td>Triple Rinsing</td></tr> <tr><td>8/10/17</td><td>Recycle</td></tr> <tr><td>24/5/17</td><td>Nursery</td></tr> <tr><td>27/11/17</td><td>ERP</td></tr> </table>	23/7/17	P&D	23/10/17	Tractor Driver	15-16/11/17	First Aid	9/10/17	Triple Rinsing	8/10/17	Recycle	24/5/17	Nursery	27/11/17	ERP		<p>d) Observed at spraying activity and harvesting activity, adequate and appropriate protective equipments were provided.</p> <p>e) The operating unit comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides were kept in the store and securely locked and comply with regulation.</p> <p>f) The responsible persons were the Estate Manager and Assistant Manager of the respective operating units.</p> <p>g) JKKP meeting members consist of employer & employee representatives. Records of regular meetings between the responsible person and workers were maintained. There was no major issue. Refer OHS meeting at Segaria Estate – dated 19/7/17. All the agenda was discussed accordingly during OHS meeting, eg: accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken.</p> <p>h) Accident and emergency procedure was established to include emergency evacuation, fire situation, chemical spillage, accident at work place.</p>
23/7/17	P&D																
23/10/17	Tractor Driver																
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27/11/17	ERP																

Criterion / Indicator		Assessment Findings	Compliance				
	<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>i) First aid equipments were available at worksites. First aiders competency certificate available e.g. 8105XXXXXXXX, 7212XXXXXXXX, 7511XXXXXXXX.</p> <table border="1"> <tr> <td>Estate/Mill</td> <td>First Aid Box Station (Site Visit)</td> </tr> <tr> <td>Segaria Estate</td> <td>Spraying, Harvesting, Workshop, Office</td> </tr> </table> <p>j) Records of incident and accident were available, using internal reporting system. Records on Lost Time Incident (LTI) metrics found to be satisfactory.</p>	Estate/Mill	First Aid Box Station (Site Visit)	Segaria Estate	Spraying, Harvesting, Workshop, Office	
Estate/Mill	First Aid Box Station (Site Visit)						
Segaria Estate	Spraying, Harvesting, Workshop, Office						
Criterion 4.4.5: Employment conditions							
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Boustead Plantations Berhad was developed Human Rights Policy dated 11/1/2016 signed by Senior General Manager. The company was committed to ensure every individual are treated with fairness, dignity and respect. The company will respect the rights of every individual. They also recognize their responsibilities to respect human rights and avoid complicity in human rights abuses. Training of the policy was conducted on 28/9/2017 and 8/10/2017. Seen the training attendance list where all the workers from different stations were participated in the training, photo evident and training materials. Besides, the policy was publicly displayed at the notice board outside the office and linesite area.</p>	Complied				
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</p>	<p>Boustead Plantations Berhad was established Equal Opportunities Policy dated 11/1/2011 signed by Senior General Manager. The company will ensure all the relevant parties will be treated equally</p>	Complied				

Criterion / Indicator		Assessment Findings	Compliance
	opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	and no discrimination based on race, caste, nationalities, religion, gender, age and etc. Interviewed with the workers from different nationalities, gender and age confirmed that no discrimination was occurred in the estate.	
4.4.5.3	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. - Major compliance -	There was employment contracts for workers. Pay and conditions were documented and found above the Minimum Wage Order 2016. Sampled of employment contracts confirmed that terms and conditions were clearly outlined and were signed by the worker. The daily rate of RM 35.38 for the workers was stated in the contract according to Minimum Wage Order 2016. Sampled of the payslips confirmed that the workers were paid in accordance with Minimum Wage Order 2016.	Complied
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 -	The contractors were signed on the contract agreement with the terms of they must comply with legal requirements on the wages for their workers was clearly stated. Sampled of payslips for contractors' workers in Segaria Estate for Month October 2017, found that all achieved Minimum Wage Order 2016. Sampled as below: <ul style="list-style-type: none"> a. Passport No.: AT 69XXXX b. Passport No.: AT 69XXXX c. Passport No.: AT 96XXXX d. Passport No.: B 166XXXX e. Passport No.: AR 34XXXX <p>The contractors' workers also signed on the employment contract where basic salary, annual leave and public holiday entitlement,</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		termination of service and etc were clearly outlined in the contract.	
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the direct employment workers will be registered in the Labour Registration Card where personal details such as name, nationality, next of kin, education standard, date of employed, job offered, salary, date of birth and etc was stated in the registration card. Sampled of the Labour Registration Card as below:</p> <ul style="list-style-type: none"> a. Employee No.: 19XX b. Employee No.: 19XX c. Employee No.: 18XX d. Employee No.: 23XX e. Employee No.: 14XX f. Employee No.: 12XX g. Employee No.: 22XX 	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment contracts were acknowledged and kept a copy by the workers verified through interviewed with the workers. The contract was in the language that understood by the workers. The terms and conditions were clearly stated in the contract such as salary, annual leaves and public holiday entitlement, rate of work on rest day, overtime and etc. Sampled of employment contracts as below:</p> <ul style="list-style-type: none"> a. Employee No.: 19XX b. Employee No.: 20XX c. Employee No.: 23XX d. Employee No.: 11XX e. Employee No.: 14XX f. Employee No.: 23XX 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		g. Employee No.: 19XX	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	The estate management was maintained Field & General Workers Daily Attendance Record and Oil Palm Harvester Reception Data sheet to record the attendance, tonnage, overtime and etc for individual workers.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	The working hour and break time was clearly stated in the employment contract. Besides, the attendance record was available and able to trace through Field & General Workers Daily Attendance Record and Oil Palm Harvester Reception Data sheet.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "Field & General Workers Daily Attendance and Oil Palm Harvester Reception Data". Total hours of overtime and daily attendance was recorded in the time sheet. Sampled the payslip for month November 2017 as below: <ul style="list-style-type: none"> a. Employee No.: 18XX b. Employee No.: 10XX c. Employee No.: 18XX All of them above were achieved the Minimum Wage Order 2016. Hours of overtime has recorded in the payslip as well. However, sampled of payslip, Field & General Work Daily Attendance	Major nonconformance

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Criterion / Indicator		Assessment Findings	Compliance
		<p>and Oil Palm Harvester Reception Data found that they were not paid according to Sabah Ordinance (Sabah Cap. 67) amended as at 10.02.2005 by Act A1238, Section 104C. (2) (a) and (b) <i>“An employee employed on a daily, hourly or other similar rate of pay who works on a rest day shall be paid for any period of work—</i></p> <p><i>(a) which does not exceed half his normal hours of work, one day's wages at the ordinary rate of pay; or</i></p> <p><i>(b) which is more than half but does not exceed his normal hours of work, two days' wages at the ordinary rate of pay”</i> as below for November 2017:</p> <ul style="list-style-type: none"> a. Employee No.: 12XX for 26/11/2017 b. Employee No.: 10XX for 2/11/2017, 9/11/2017, 16/11/2017, 23/11/2017 and 30/11/2017 c. Employee No.: 19XX for 3/11/2017, 17/11/2017 and 24/11/2017 <p>Thus, a major non-conformance was raised.</p>	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>The management provided free medical facilities to all the workers and dependents. Community Learning Centre was available for the children of foreign workers. Free treated water and electricity supply to all the workers.</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</p>	<p>During site visit to the linesite found that playground, football field, church, mosque and etc were available and free access to all the workers and dependents. Sundry shop and crèche was available at Segaria Estate.</p>	Major nonconformance

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<p>applicable legislation.</p> <p>- Major compliance -</p>	<p>However, it was found that Provision of basic amenities for water supplies not fully in compliance with Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). This was based on the evidence as following:</p> <p>Segaria POM:</p> <p>Sampling analysis of drinking water supplies was not based on National Drinking Water Quality Standard as per Certificate of Analysis Lab Ref. No.: 20171011/19B for Sample Marking: Domestic - Japanese Pond (Outlet)</p> <p>Segaria Estate:</p> <p>Sampling analysis of drinking water supplies was not based on National Drinking Water Quality Standard as per Certificate of Analysis Lab Ref. No.: 20171011/20B for Sample Marking: Sipit Division (Outlet)</p> <p>Thus, a major non-conformance was raised.</p>	
<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Boustead Plantations Berhad was developed a Sexual Harassment Policy signed by Senior General Manager dated 11/1/2011. The company will ensure the comfort and security of every employees, clients, business partners and public that involved in the plantations' activities. The policy was clearly stated the types of sexual harassment such as verbal, visual, psychology, physical and etc. Training of the policy was conducted on 28/9/2017 and 8/10/2017 in Segaria Estate. Besides, the policy was publicly displayed at the notice board outside the office and linesite area.</p>	<p>Complied</p>

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<p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Boustead Plantations Berhad was developed Freedom of Association Policy dated 11/11/2011 signed by Senior General Manager, En. Shoib Abdullah. The company was committed and allowed their stakeholders such as employees, clients, business partner and etc to form or join any association. The company will established a Workers' Community for the employees to speak freely and the meeting will be conducted once every 3 months.</p> <p>Segaria Workers' Committee was established in Segaria Estate. The last meeting was conducted on 21/10/2017 and meeting minutes was sighted. No issue was raised during the meeting. Interviewed with the workers' representatives found that all the issues raised before were rectify by the management.</p>	<p>Complied</p>
<p>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 exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Boustead Plantations Berhad has developed Employment of Child and Age Limit Policy dated 11/1/2011. The company will comply with the Children and Young Persons (Employment) Act 1966 and ILO Convention 138 (1973) Article 1-3. No workers less than 16 years old will be recruited and less than 18 years old for hazardous work. Document verified on the Employee Master List confirmed that all the workers employed were above 18 years old.</p>	<p>Complied</p>
<p>Criterion 4.4.6: Training and competency</p>		
<p>4.4.6.1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment</p>	<p>A formal training programme on all aspects of MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs were reviewed and found to be complied.</p>	<p>Complied</p>

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<p>of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Training programme planned for year 2017 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers <p>The records of training were available at mill and estate office. Sample training checked:</p> <table border="1" data-bbox="1037 866 1641 1300"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>13/3/2017</td> <td>Harvesting</td> <td rowspan="13">Segaria Estate</td> </tr> <tr> <td>7/4/17</td> <td>PPE Implementation</td> </tr> <tr> <td>6/4/17</td> <td>Manuring</td> </tr> <tr> <td>5/10/17</td> <td>Spraying</td> </tr> <tr> <td>23/7/17</td> <td>P&D</td> </tr> <tr> <td>23/10/17</td> <td>Tractor Driver</td> </tr> <tr> <td>15-16/11/17</td> <td>First Aid</td> </tr> <tr> <td>9/10/17</td> <td>Triple Rinsing</td> </tr> <tr> <td>8/10/17</td> <td>Recycle</td> </tr> <tr> <td>24/5/17</td> <td>Nursery</td> </tr> <tr> <td>27/11/17</td> <td>ERP</td> </tr> </tbody> </table>	Date	Training	Remark	13/3/2017	Harvesting	Segaria Estate	7/4/17	PPE Implementation	6/4/17	Manuring	5/10/17	Spraying	23/7/17	P&D	23/10/17	Tractor Driver	15-16/11/17	First Aid	9/10/17	Triple Rinsing	8/10/17	Recycle	24/5/17	Nursery	27/11/17	ERP	
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<p>4.4.6.2 Training needs of individual employees shall be identified prior to the planning and implementation of the</p>	<p>A formal training programme on all aspects of MSPO was been established and implemented. Training for various categories of operators, including all field and office staff, with regards to</p>		<p>Complied</p>																									

Criterion / Indicator		Assessment Findings	Compliance
	<p>training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>individual duties and training needs were reviewed and found to be complied.</p> <p>Training programme planned for year 2017 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers 	
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>A formal training programme on all aspects of MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs were reviewed and found to be complied.</p> <p>Training programme planned for year 2017 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers 	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Based on the <i>Polisi Alam Sekitar & Biodeversiti</i> (Environmental & Biodiversity Policy); dated 11/1/2011; signed by Senior GM of Bousted Estates Agency Sdn Bhd, the HCV Management Plan was established as 4 objectives as following:</p> <p>i) Wild Life Conservation</p> <p>Target: to ensure no illegal hunting activities inside or outside the estate perimeter.</p> <p>Action plan: monitoring records of hunting incidences; collaboration with estate workers; local people and stakeholders such as neighboring estate to investigate the extent and reasons for hunting and their awareness; training of estate personnel especially Aps in anti-poaching measures; working closely with local authorities such as Perhilitan to highlight and curtail any illegal activities</p> <p>ii) Waterways Quality and Health Monitoring</p> <p>Target: to ensure recommended WQI index met a range of 81 to 100%</p> <p>Action plan: prohibit manuring and herbicide spraying at any point in buffer zone; prohibit application of herbicide/insecticide which classified as highly toxicity chemical; continue application of EFB as substitute fertilizers; monitoring the use of oil and chemical</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>trap constructed to avoid chemical flowing into water source</p> <p>iii) Agricultural Land Contamination</p> <p>Target: to continuously establish and enhance in-estate buffers</p> <p>Action plan: establish 3m buffer zone adjacent to forest reserve; continue the in-estate program of establishment and enhancement of riverine buffer zones; continue planting of wild/natural species of hard word along identified water courses, wetland and biodiversity area</p> <p>iv) Degradation of Agricultural Land</p> <p>Target: to minimize or free from soil erosion at slope/terrace area</p> <p>Action plan: planting LCC such as Pueraria Javanica at along slopes and Mucuna Bracteata; construct terrace at slope area >25o; continue constructing silt pits; conservation of Nephrolepis Biserrata; prohibit spray at any points of sloping banks; continue setting up buffer zone; planting certivar/Guatemala grasses; construct and maintain well drainage system; continue plant timer trees especially in buffer zone area</p> <p>The above programs were regularly communicated by estate management to all employees from time to time during routine workers assembly. The recent specific environmental and biodiversity policy briefing was conducted on 28/11/2017 attended by all estate staff and employees.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.1.2 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>On top of the above biodiversity management plan and objectives, the environmental management plan covered in the established action plan of significant environmental aspects identified and impacts evaluated as per documents sighted as following:</p> <ul style="list-style-type: none"> - Environmental Aspect and Impact Identification 2017/2018; Serial # EAI/2017/001-1 to EAI/2017/013-4 dated 17/7/2017 - Environmental Impact Evaluation Form Serial # EIE/2017/001-1 to EIE/2017/014-4 dated 17/7/2017 <p>Sighted also the <i>Surat Akujanji [Selaras dengan Peruntukan Perenggan 7(1)(b), Perintah Perlindungan Alam Sekitar (Aktiviti yang ditetapkan)/(Penilaian Kesan Alam Sekitar) 2005]</i> for Compliance of <i>Syarat-syarat Alam Sekitar [Seksyen 12(5) dan 20, Enakmen Perlindungan Alam Sekitar 2002]</i> on "Proposed Replanting of Oil Palm Plantation at Segaria Estate in Semporna Sabah"; Ref. JPAS/PP/18/600-1/11/1/101; Dated 25/2/2011. The approval was valid for two years from the date of signing on 25/2/2011. Although no any replanting was conducted throughout that period (25/2/2011 – 24/2/2013) due to the revised replanting program as specified in indicator 3.1.2 of this checklist, the estate however implemented the relevant management plan for their existing planting which covered all field and facilities operational activities including operation of field upkeeps, machinery repair workshop, spraying and harvesting.</p>	<p>Complied</p>
<p>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.</p> <p>- Major compliance -</p>	<p>As specified in indicator 4.5.1.1 & 4.5.1.2 above, the visit confirmed that the developed environmental improvement plan to mitigate the negative impacts and to promote the positive ones were effectively implemented and monitored. Sighted sample of monitoring records including <i>Buku Laporan Ronda Main Division Sempadan Hutan</i>.</p>	<p>Complied</p>

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		<p>Record for patrolling dated 3/12/2017 reported by AP mentioned that there was a temporary settlement adjacent to Block PJ07 forest boundary which believed to be occupied by the logging workers under <i>Syarikat Raspand Sdn Bhd</i> but no evidence of hunting activities sighted.</p> <p>It was verified that Raspand Sdn Bhd were the subcontractor of Budi Kemuja Sdn Bhd whom were granted with the permission to conduct the work of clearing the area Communal Grant FR.124014946 Mount Pock Daerah Semporna by the Lands and Surveys Department of Semporna district. Sighted also letter kept by Segaria Estate, letter ref. # PPHT/SEM:16/02/122()-ryppt; dated 3/7/2017 from the Lands and Surveys Department Semporna to the Managing Director of Boustead Emastulin Sdn Bhd, for the permission to extend the operation time of the contract works. However no any written respond found for the request through the letter in which the estate management decided not to allow the extension of operation time for the access of the road within its boundaries.</p>	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Few environmental plan was established including waste management action plan, continuous improvement environmental plan and etc. The following was sighted:</p> <ul style="list-style-type: none"> - Segaria POM Waste Management Action Plan Year 2017 - Scheduled wastes management procedure; Issue # 1; Dated June 2017 - Continuous Improvement Environmental Plan 2017-2018 - 3R Waste Management Practices Campaign as per Mill Manager notification letter dated 19/9/2017 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	The above programs were regularly communicated by estate management to all employees from time to time during routine workers assembly. The recent specific biodiversity and environmental policy briefing was conducted on 28/11/2017 attended by all estate staff and employees.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Specific Environmental Aspects & Impacts reviews were conducted annually at each operating units. Briefings were done as part of the environmental management plan on regular basis including during workers daily muster briefing and weekly assembly.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	A plan for improving efficiency of the use of fossil fuels was established to include Mill and estate quarters, office, meeting room, weighbridge, laboratory and mill operation, fuel consumption at estate Diesel use per mt FFB was monitored every month. The Plan for Improving Fossil Fuel and Palm GHG FY 2017 includes the following: <ul style="list-style-type: none"> - To minimize and limit electrical usage - Replace bulb with an energy saving bulb last 10 times longer with 75% less energy - Switch off or unplug any charges or appliances not in use - To put in hibernate of sleep mode for all pc not in use 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		There was a plan established for improving efficiency of the use of fossil fuel. Sighted the estate diesel consumption 2014 – 2017 (as at October 2017). Diesel consumption/FFB produced: 1.32 l/mt (Jan - Oct 2017).	
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 was established estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Not applicable	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 -	All waste products and sources of pollution was identified in Waste Management Action Plan Year 2017 for the estate. Based on the Waste Management Action Plan Year 2017 the following wastes and its sources were identified: - Domestic waste: Rubbish from linesite, office and etc. - Scheduled waste: SW305, SW306, SW 410 & SW 102 - Recyclable waste: Empty chemical container, empty fertilizer bag, palm fronds, etc.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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>As above, all waste products and sources of pollution was identified in Waste Management Action Plan Year 2017 for the estate. Site visit confirmed that the practice of reduce, reuse and recycle of materials was implemented.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes were verified to be satisfactory. Proper storage areas were identified for the storage of the recyclable wastes at the estate.</p>	Complied
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Visit to estate field and premises shown the management and disposal plan has been implemented accordingly. Records sighted for SW i.e. Identification Inventory of Scheduled Wastes; Ref.: ASSH/TWU(B)95/130/100/231; Inventory # 2016022415R9S2KE112017. 5th schedule was update accordingly as on 30/11/2017. E-consignment dated 3/5/2017 for SW102, SW305, SW306, SW410 by Legenda Bumimas Sdn. Bhd.</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>Segaria Estate conducted the Triple Rinsing of Empty Chemical Container Training (<i>Latihan 3 Kali Pembilasan Bekas Racun dan Bahan Kimia</i>) on 6/10/2017 to all sprayers gang for both division based on the guideline for used plastic pesticide container recycling program (UPPCR). Visit to estates confirmed that all pesticides stored at chemical store where empty chemical containers were triple rinsed and punctured. The containers were collected by G-Planter for recycle purposes. Storage records sighted shown the UPPCR Collection by G-Planter that a total of 1,574 pcs of 20 litres and 200</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		pcs of Ally Bottle 500g collected on 9/10/2017.	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory. Proper storage areas were identified for the storage of the recyclable wastes.	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 -	Based on the assessment done by the estate of all polluting activities as of the Environment Aspect and Impact assessment, identified sources were fertilizer, diesel and pesticide chemicals as the main GHG pollutants.	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 identified significant pollutants including IPM implementation, empty chemical container & empty fertilizer bags recycle and electricity supply rationing to housing quarters.	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply.	Documented Water Management Plan Year 2017 inclusive of location; wastewaters produced; treatment/containment method; reuse/recycle/disposal method was sighted. The plan implemented as per following: - Identification of water sources - Efficient use of water - Renewability of water sources	Complied

Criterion / Indicator	Assessment Findings	Compliance
<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>- Major compliance -</p>	<ul style="list-style-type: none"> - Riparian buffer zone - Areas where buffer zone not established - Water quality monitoring - Effluent analysis - Demarcation of wetlands areas - Soil and water conservation measures - No construction of bunds/weirs/dam across main rivers <p>Sampled implementation in place including the following monitoring were sighted:</p> <ul style="list-style-type: none"> - Monthly water analysis by mill, latest conducted on 7/11/2017; Analysis cert. no.: 20171114/006A-06C by Dynakey Laboratories Sdn Bhd - Yearly estate river inlet and outlet analysis; Analysis cert. no.: 20171011-19A-0 - 20B-0); dated: 31/10/2017 at Sipit Division by Dynakey Laboratories Sdn Bhd <p>Protection of water courses and wetlands implemented as per established policy of slope and river buffer protection policy (Refer <i>Polisi Zon Perlindungan Cerun dan Zon Penampan Sungai</i>); dated 12/1/2015. Protection program includes monitoring of river water quality as per sample Certificate of Analysis; Cert. # 20171114-06-0; Sample date: 7/11/2017; Report date: 20/11/2017; Sample mark: A. Upstream; B. Downstream; C. Final discharge (POME). All results found within the limits as DOE compliance schedule. This sampling was done by Segaria POM.</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	Visit to estate field confirmed no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	The estate practice water harvesting at strategic locations. They also maintained monitoring records of water usage which recorded every day and summarised on monthly basis including the monitoring of rainfall water, which has been an alternative source of water as mitigation plan during draught season. Rainfall data for period from 2016 recorded at 3158.0mm. Rainfall data to date for period from Jan 2017 to Nov 2017 recorded at 3119.0mm.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat	The HCV assessment was done by the Malaysia Environmental Consultant on 28/9/17. Based on the report, there was no RTE species found at Segaria Estate. However, the management was install appropriate warning signages prohibiting illegal activities such as hunting and fishing. Based on the <i>Polisi Alam Sekitar & Biodeversiti</i> ; dated 11/1/2011; signed by Senior GM of Bousted Estates Agency Sdn Bhd and the HCV assessment report, the HCV Management Plan was established as 4 objectives as following: i) Wild Life Conservation	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>Target: to ensure no illegal hunting activities inside or outside the estate perimeter.</p> <p>Action plan: monitoring records of hunting incidences; collaboration with estate workers; local people and stakeholders such as neighboring estate to investigate the extent and reasons for hunting and their awareness; training of estate personnel especially Aps in anti-poaching measures; working closely with local authorities such as Perhilitan to highlight and curtail any illegal activities</p> <p>ii) Waterways Quality and Health Monitoring</p> <p>Target: to ensure recommended WQI index met a range of 81 to 100%</p> <p>Action plan: prohibit manuring and herbicide spraying at any point in buffer zone; prohibit application of herbicide/insecticide which classified as highly toxicity chemical; continue application of EFB as substitute fertilizers; monitoring the use of oil and chemical trap constructed to avoid chemical flowing into water source</p> <p>iii) Agricultural Land Contamination</p> <p>Target: to continuously establish and enhance in-estate buffers</p> <p>Action plan: establish 3m buffer zone adjacent to forest reserve; continue the in-estate program of establishment and enhancement of riverine buffer zones; continue planting of wild/natural species of hard word along identified water courses, wetland and biodiversity area</p> <p>iv) Zero Degradation of Agricultural Land</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Target: to minimize or free from soil erosion at slope/terrace area</p> <p>Action plan: planting LCC such as Pueraria Javanica at along slopes and Mucuna Bracteata; construct terrace at slope area >25°; continue constructing silt pits; conservation of Nephrolepis Biserrata; prohibit spray at any points of sloping banks; continue setting up buffer zone; planting certivar/Guatemala grasses; construct and maintain well drainage system; continue plant timer trees especially in buffer zone area</p>	
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>Management action plan implemented accordingly, sighted sample of monitoring records including <i>Buku Laporan Ronda Main Division Sempadan Hutan</i>. Record for patrolling dated 3/12/2017 reported by AP mentioned that there was a temporary settlement adjacent to Block PJ07 forest boundary which believed to be occupied by the logging workers under <i>Syarikat Raspond Sdn Bhd</i> but no evidence of hunting activities sighted.</p> <p>It was verified that Raspond Sdn Bhd are the subcontractor of Budi Kemuja Sdn Bhd whom were granted with the permission to conduct the work of clearing the area Communal Grant FR.124014946 Mount Pock Daerah Semporna by the Lands and Surveys Department of Semporna district. Sighted also letter kept by Segaria Estate, letter ref. # PPHT/SEM:16/02/122()ryppt; dated 3/7/2017 from the Lands and Surveys Department Semporna to the Managing Director of Boustead Emastulin Sdn Bhd, for the permission to extend the operation time of the contract works. However no any written respond found for the request through the letter in which the estate management decided not to allow the extension of operation time for the access of the road within its boundaries.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Sighted a letter ref. # Bil.(08)SE-111/03/02-01K; dated 5/9/2017; by the Senior Estate Manager under the Boustead Estate Agency Sdn Bhd to the District Forest Officer requested the assistance of Semporna Forestry Department to identify the forest tree species available within estate HCV area.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	The above programs were regularly communicated by estate management to all employees from time to time during routine workers assembly. The recent specific biodiversity and environmental policy briefing was conducted on 28/11/2017 attended by all estate staff and employees.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	Group Policy on restricting open burning dated in 2011 was established. A circular [O.P.C No. 51c, July 1999] stating when there were incidences of Basal Stem Rot [BSR] on the old stands or high risk of Oryctes infestation, then partial burning and pulverisation are to be carried out. Before commence of burn, a permit should be obtained from DOE and burning strictly not allowed during July – November or whenever a “No Open Burning” circular from local authorities	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	The visit to estate field confirmed no use of fire for land preparation during replanting. Hence, no special application made and no approval granted.	Complied

Criterion / Indicator		Assessment Findings	Compliance												
	- Major compliance -														
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	The visit to estate field confirmed no use of fire for land preparation during replanting. Hence, no special application made and no approval granted.	Complied												
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	<p>There was no replanting carried out in 2017. Future replanting program was established which was updated on 19/8/2017. The replanting programme sighted as follow:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ha</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>234.40</td> <td rowspan="4">Segaria Estate</td> </tr> <tr> <td>2019</td> <td>223.60</td> </tr> <tr> <td>2020</td> <td>196.90</td> </tr> <tr> <td>2021</td> <td>122.60</td> </tr> </tbody> </table> <p>There was no replanting in 2022.</p>	Year	Ha	Remark	2018	234.40	Segaria Estate	2019	223.60	2020	196.90	2021	122.60	Complied
Year	Ha	Remark													
2018	234.40	Segaria Estate													
2019	223.60														
2020	196.90														
2021	122.60														
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 -	Boustead Plantations Bhd has established the agriculture manual (Oil Palm Circular) covers felling and clearing, planting material, weeding, lalang, manuring, pest & disease, census & thinning out, drains, road & bridges, soil/water conservation, boundaries, fences & survey, supplying, pruning, collection (harvesting), external transport and etc.	Complied												

Criterion / Indicator		Assessment Findings	Compliance										
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	The implementation in the Segaria Estate was consistent with the Quality Assurance Manual and Work Instruction. Sighted Internal Audit report which was conducted once a year by Sustainability section, the 1 st internal audit was conducted on 30-2/11/2017 to cover the entire criterion stated in the standard and SOP.	Complied										
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Field marking was sighted at Segaria Estate. Sighted field marking at PM99A,PJ09F and PM99B.	Complied										
Criterion 4.6.2: Economic and financial viability plan													
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Segaria Estate was established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme eg: Consist of area statement, capital expenditures, vehicle and heavy planrunning schedule, upkeep and cultivation, harvesting, nursery, production cost etc. Budget 2018 and 5 years planning horizon (projections 2019- 2023) was verified during the audit.	Complied										
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	There was no replanting carried out in 2017. Future replanting program was established which was updated on 19/8/2017. The replanting programme sighted as follow: <table border="1" data-bbox="1032 1262 1509 1396"> <thead> <tr> <th>Year</th> <th>Ha</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>234.40</td> <td rowspan="3">Segaria Estate</td> </tr> <tr> <td>2019</td> <td>223.60</td> </tr> <tr> <td>2020</td> <td>196.90</td> </tr> </tbody> </table>	Year	Ha	Remark	2018	234.40	Segaria Estate	2019	223.60	2020	196.90	Complied
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2018	234.40	Segaria Estate											
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Criterion / Indicator		Assessment Findings	Compliance			
		<table border="1"> <tr> <td>2021</td> <td>122.60</td> <td></td> </tr> </table> <p>There was no replanting in 2022.</p>	2021	122.60		
2021	122.60					
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>Segaria Estate was established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme eg: Consist of area statement, yield, capital expenditures, vehicle and heavy planrunning schedule, upkeep and cultivation, harvesting, nursery, production cost etc. Budget 2018 and 5 years planning horizon (projections 2019- 2023) was verified during the audit.</p> <p>Segaria Estate made progress towards achieving their performance production targets for the current financial year.</p> <p><u>Segaria Estate</u></p> <ol style="list-style-type: none"> 1. Cummins Genset 2. Sincos Post Hole Digger (Auger) 3. Water Reservoir/Tank 	Complied			
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>Segaria Estate management was regularly monitored, periodically reviewed and documented the budget versus actual through progress report. The management also was established costing book for every work activity at estate and conducted the monthly meeting with all staff and executive.</p>	Complied			
Criterion 4.6.3: Transparent and fair price dealing						
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>Sampled of contract agreement that signed by the contractors as below:</p> <ul style="list-style-type: none"> a. Contract No.: 2017-02 for FFB transport from field to Segaria POM which valid from 1/1/2017 to 31/12/2017. 	Complied			

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Criterion / Indicator		Assessment Findings	Compliance
		b. Contract No.: 2017-04 for FFB transport from field to Segaria POM which valid from 1/1/2017 to 31/12/2017.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The manner of payment of remuneration shall paid by the company to contractor not later than the 15 th days each month upon settling the account for the preceding month. Sampled of payment vouchers for September, October and November 2017 found that the payments were made on 10 th or 11 th of the month. Interviewed with the contractors confirmed that the payment was made promptly by Boustead Plantations Berhad.	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 -	Sampled of the contract agreement found that a special clause on MSPO compliance where applicable to them was not stated on the agreement. a. Contract No.: 2017-02 for FFB transport from field to Segaria POM which valid from 1/1/2017 to 31/12/2017. b. Contract No.: 2017-04 for FFB transport from field to Segaria POM which valid from 1/1/2017 to 31/12/2017. Thus, a major non-conformance was raised.	Major nonconformance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	The contractors were signed on the contract agreement prior to provide services. Seen the contract agreement and details as refer to Criterion 4.6.3.1.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Boustead Plantations Berhad was agreed for BSI auditors to verify the assessment through a physical inspection if required.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	The contractor will issued the working chit for every work done on daily basis as stated in the contract agreement. During the month end, the contractor will issued the tax invoice to the company for all the work done to proceed for payment. Seen the tax invoice as below: a. Invoice No.: B1411117021 dated 30/11/2017 b. Invoice No.: A2111117015 dated 30/11/2017 c. Invoice No.: A2111117014 dated 31/10/2017 d. Invoice No.: B1411117019 dated 31/10/2017	Complied
4.7 Principle 7: Development of new planting Not applicable since there is no new planting at Segaria Estate.			

B) MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill – Segaria Mill

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	Policy for the implementation of MSPO shall be established. - Major compliance -	The MSPO Policy was established where the policy was signed by Sr General Manager of Boustead Plantations Berhad on 1/11/2014.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The policy was emphasize on the engagement and commitment to produce sustainable palm oil with the objective of improving the milling and estate operation.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal Audit was conducted once a year by Sustainability section, the 1 st internal audit was conducted on 30-2/11/2017 (Segaria POM and estate) to cover the entire criterion stated in the standard. Internal audit was lead by Mr Hafizi Bin Boniran and assist by Mr Azrin Mazhidi as a team member. The internal auditor were found competent to conduct the audit. Sighted the competency certificate by SIRIM QAS International Sdn Bhd which was conducted on 26-27/11/2015. During the internal audit, there was 5 Major NC and 11 OFI was issued. All the finding were closed accordingly	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		on 8/11/2017.	
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 -	Internal audit procedure dated July 2015 was established by the management to include audit frequency, audit schedule, audit team, performing audit, audit responsibility and etc. Internal audit shall be carried out once a year.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	All records related to Internal Audit was maintained and available at Mill for review.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The management review was conducted accordingly. The 1 st Management Review was conducted on 2/11/2017 which was chaired by Sustainability Chairman. All the committee members were involved during this 1 st Management Review. All the agenda were found adequate.	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Segaria POM was developed a Continual Improvement Plan for 2017 as below: 1. Installation of EFB Hopper Roofing No. 1 2. Concreting remaining soil portion at EFB dumping area 3. New drainage from hydrocyclone to sludge pit	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p>- Major compliance -</p>	<p>Segaria POM was developed a Continual Improvement Plan for 2017 as below:</p> <ol style="list-style-type: none"> 1. Installation of EFB Hopper Roofing No. 1 2. Concreting remaining soil portion at EFB dumping area 3. New drainage from hydrocyclone to sludge pit 	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>Segaria POM was maintained records of request and response, land titles, OSH plans and etc relating to environmental and social issues, plans for pollution prevention, complaints and grievances records that make available upon request.</p>	Complied
4.2.1.2	<p>The 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>Segaria POM 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. All the policies such as Pesticide Use Policy, Human Rights Policy, Foreign Workers Policy and etc were publicly available in the company's website: www.bousteadplantations.com.my. Others sustainability practices were also available in the website.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Boustead Emastulin Sdn Bhd was developed a Communication Procedure. The procedure was established to handle communication for internal and external stakeholders. The methods of communication such as formally write in, through phone call, discussion or meeting and etc. External Communication Form (PKSJ-001) and Communication Record (PKSJ-002) was implemented.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Staff of Segaria POM was appointed as Social Officer to handle any social issues and appointment letter dated 1/6/2017 were sighted.	Complied
4.2.2.3	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. - Major compliance -	Stakeholder list FY 2017 was available in Segaria POM. The list has included contractors and suppliers, government authorities, school’s representatives and etc. Stakeholder meeting was carried out on 22/8/2017 for the whole complex with the participation of relevant parties such as neighboring plantations, government authorities, school’s representatives, contractors, internal workers and etc. Meeting minutes was sighted and no issue was raised. In addition, a stakeholder meeting with internal parties was conducted on 30/11/2017 in Segaria POM. No issue was raised. Meeting minutes was available and seen the acknowledgement from the workers who attended the	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		meeting.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Segaria Palm Oil Mill and Estate implemented the supply chain program based on Bousted Plantations Supply Chain (SCC) Procedures; Issue 1; Issue date: July 2016; Rev. # 2; Rev. date: October 2017. The procedure was prepared by Segaria Business Unit and approved by Sustainability Chairman which covering the implementation of all supply chain requirements for both POM and estate.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Regular inspections on compliance with the established traceability system were conducted through periodical internal audit as specified in Criterion 4.1.2 of this checklist. Furthermore, a Standard Operating Procedure; Effective date: 2/5/2012; Chapter 1: Administrative Procedure; Section 1.1 Internal Office Control sighted available that described the routine responsibilities of estate management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system.	The procedure also specified that the Sustainability Chairman shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	various departments to assist in the implementation. Sighted the Letter of Appointment; Ref. # BEA/SUST-RSPO/SEGARIABU; Dated: 1/11/2017 for the appointment of Mill Manager as the Sustainability Chairman for Segaria Palm Oil Mill. Appointment made by the company group Sustainability Chairman.	
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Records of CPO & PK sales & delivery including Weighbridge Tickets together with sales Delivery Note (DO Chit) and Daily Record (Daily CPO/PK Despatch Summary Log Book) were maintained based on Standard Operating Procedure; Effective date: 2/5/2012; Chapter 7: Sales of Produce Ex-Estate/Mill Procedures; Section 7.2 CPO Sales and Despatches; Section 7.3 PK Sales and Despatches & Chapter 13: Retention of Documents which specified a minimum retention period of 7 years prior of disposal. Sighted samples record available as following: 1. Weighbridge Ticket # 4710006712; DO # CPO 306201701529; Date: 6/11/2017; Nett Weight: 33,830 kg; Truck # ST7338F to TSH-Wilmar Sdn. Bhd.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	The list of permit and license required for the operations of the mill was sighted. The sample of permit and license: 1. DOE License: 003471, expired 30/6/18	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ol style="list-style-type: none"> 2. Suruhanjaya Tenaga: Lesen Pemasangan Persendirian-21183, expiry 23/4/18 3. FMA permit : all still valid (SB PMD 2100; 8/6/18, SB PMT 11173;8/6/18,SB PMT 7250;8/6/18) 4. Ordinan Perlesenan Perdagangan : SPA/2017/791, expiry on 31/12/17 5. MPOB License: 508110904000 for KKS Segaria, expiry on 31/5/2018 6. Permit barang kawalan berjadual : KPDKKK.SPN.600-1/7/2016/32(P), Diesel 26,000Ltr expiry on 20/11/2018 7. Lesen untuk menggaji pekerja bukan pemastautin: B-000002/08 expiry 12/10/2018 8. CePSWaM, CEPPOME: 851016-02-5081 9. Steam Engineer Grade 1: 851016-02-5081 10. NW-NSDK-AGT-R-0011-M: 680403-12-6057 11. H/ED/06/03 (Dandang Stim Grade 1): 701115-12-5324 12. SB/10/EIP/02/18 (ICE): 790314-12-6247 13. PJ-T-4-B-0263-2007 (Engine Driver-A4):680114125461 	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		7. Local Government Act	
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>LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal:</p> <ol style="list-style-type: none"> 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act <p>Last evaluation was conducted on 16/10/17.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website information and the information are communicated from the Head Office (Sustainability Section). Boustead Plantations Berhad have centralised system for tracking any changes in the law and subscribe into Lawnet. The latest communication was done on 22/11/2017 regarding FMA (Exemption of Certificate for Unfired Pressure Vessel) Order 2017.</p>	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p>	<p>Not applicable since the land title was kept by Segaria Estate.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Not applicable since the land title was kept by Segaria Estate.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Not applicable since the land title was kept by Segaria Estate.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute in the Segaria Certification Unit at the time of audit. The lands were country leased and provisional lease to Boustead Emastulin Sdn Bhd via verified with the land titles. The surrounding were owned by smallholders and other plantation's companies. There was no encroachment of land by the Segaria Certification Unit.	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 -	Not applicable since the land title was kept by Segaria Estate.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	Not applicable since the land title was kept by Segaria Estate.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Not applicable since the land title was kept by Segaria Estate.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	SIA was carried out by MEC on 28/9/2017. However, the report was yet to be received and management plan to mitigate the negative impacts and promote the positive ones was not available. Thus, a minor non-conformance was raised.	Minor nonconformance
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 -	The company was developed Whistleblowing Policy dated 11/1/2011 signed by Senior General Manager. The company was prepared a formal mechanism to handle all the complaints reported. A Complaint/ Suggestion Flowchart was available where it explained the procedure to lodge complaints. Besides, the Segaria POM's Manager was issued a memo on the method to lodge complaint to all the workers. Seen the acknowledgement dated 4/10/2017 by the mill's workers on the acceptance of method to lodge complains.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Complaint/ Suggestion Form for Internal and External Stakeholders was implemented. Seen the complaint forms and found most of the complaints were related to house damage issues. Sampled of the complaints as below:</p> <ul style="list-style-type: none"> a. I/C No.: 810201XXXXXX was reported the back door, room door and kitchen door was broken on 6/11/2017. The management has planned to use the budget 2018 to replace all these. Seen the Budget 2018 where the management was allocated certain amount of budget under Upkeep & Repair category for these issues. b. Passport No.: AU 11XXXX was requested to install expandable metal at the staircase at clarifier no. 2 on 11/10/2017. The management was made purchase order of the expandable metal on 2/12/2017 and planned to install before 15/12/2017. Seen the purchase order with SM No. 20637 of the 9mm x 4' x 8' expandable metal. 	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>The complaint form was available at the office. Besides, suggestion box was available in the linesite and office area where the stakeholders were able to lodge complaint or suggestion at any time.</p>	Complied
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>Interviewed with internal and external stakeholder during stakeholder consultation found that they were aware of the complaint procedure and were briefed by the management during stakeholder meeting.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The management has started to implement the complaint form since November 2017. The records of complaint were available from November 2017 up to date.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Segaria POM was planned on Social Activities for Y2017 such as Mill's sport day, anti-drugs campaign, celebration of Hari Raya festival, Family day of the mill and etc. Seen the photo evident of the activities that were conducted such as Boustead Sabah Mill's sport day on 30/4/2017 and 1/5/2017, Anti-drug campaign on 19/9/2017 and etc. Besides, the stakeholders such as school has requested for donation on 27/10/2017 for the sport day in school and the management was agreed to donate RM 200 on 4/11/2017. Besides, the mill was also provided transport facility to the school upon request from the school's management.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	SPOM was established Safety and Health Policy, dated 1/6/2012 signed by Managing Director. OHS plan for 2017 dated 1/1/2017 was established. The OHS plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management, safety committee activities and etc.	Complied

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Criterion / Indicator	Assessment Findings	Compliance												
<p>4.4.4.2</p> <p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should 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 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 shall have knowledge and access to latest national regulations 	<ul style="list-style-type: none"> a) Communication on safety and health policy was conducted according to the workforce on 17/10/17. Through interview with workers, they were understand on issue related to OSH and MSPO. b) SOP for HIRARC was established. Last reviewed for the HIRARC was done on 17/10/2017 (Segaria POM) to include EFB Hopper, workshop, chemical store, WTP station, Kernel Plant, Confined Space, Boiler Station, Ramp, Pressing Station, Clarification Station, Sterilizer Station and etc. c) A formal training programme on all aspects of OSH and MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied. The records of training were available at mill and estate office. Sample training checked: <table border="1" data-bbox="1137 1093 1747 1340"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>22/2/17</td> <td>Confined Space</td> <td rowspan="4">SPOM</td> </tr> <tr> <td>11/1/17</td> <td>First Aid Box</td> </tr> <tr> <td>11-12/1/17</td> <td>Lab Analysis</td> </tr> <tr> <td>17/10/17</td> <td>Policy Company</td> </tr> </tbody> </table> d) Observed at Sterilizer station, press station, oil room, 	Date	Training	Remark	22/2/17	Confined Space	SPOM	11/1/17	First Aid Box	11-12/1/17	Lab Analysis	17/10/17	Policy Company	<p>Complied</p>
Date	Training	Remark												
22/2/17	Confined Space	SPOM												
11/1/17	First Aid Box													
11-12/1/17	Lab Analysis													
17/10/17	Policy Company													

Criterion / Indicator	Assessment Findings	Compliance
<p>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 meeting shall be kept ant the concerns of 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 mill 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>- Major compliance -</p>	<p>boiler station, spraying activity and harvesting activity, adequate and appropriate protective equipment was provided.</p> <p>e) The operating unit comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining chemicals were kept in the store and securely locked and comply with regulation.</p> <p>f) The responsible persons wer the Mill Manager and Assistant Manager of the respective operating units.</p> <p>g) JKKP meeting members consist of employer & employee representatives. Records of regular meetings between the responsible person and workers were maintained. There was no major issue. Refer OHS meeting minutes OHS meeting at SPOM – dated 12/9/17. All the agenda was discussed accordingly during OHS meeting, eg: accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken.</p> <p>h) Accident and emergency procedure was established to include emergency evacuation, fire situation, chemical spillage, accident at work place.</p> <p>i) First aid equipment available at worksites. First aiders competency certificate available e.g. 810516XXXXXX, 721215XXXXXX, 751130XXXXXX.</p>	

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Criterion / Indicator		Assessment Findings		Compliance
		Estate/Mill	First Aid Box Station (Site Visit)	
		SPOM	Boiler, Office, Workshop	
		j) Records of incident and accident were available, using internal reporting system. Records on Lost Time Incident (LTI) metrics had been verified to be satisfactory.		
Criterion 4.4.5: Employment conditions				
4.4.5.1	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. - Major compliance -	Boustead Plantations Berhad was developed Human Rights Policy dated 11/1/2016 signed by Senior General Manager. The company was committed to ensure every individual were treated with fairness, dignity and respect. The company will respect the rights of every individual. They also recognize their responsibilities to respect human rights and avoid complicity in human rights abuses. Training of the policy was conducted on 17/10/2017 by the Manager of Segaria POM. Seen the training attendance list where all the workers from different stations were participated in the training, photo evident and training materials. Besides, the policy was publicly displayed at the notice board outside the office and linesite area.		Complied
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	Boustead Plantations Berhad was established Equal Opportunities Policy dated 11/1/2011 signed by Senior General Manager. The company will ensure all the relevant parties will be treated equally and no discrimination based on race, caste, nationalities, religion, gender, age and etc. Interviewed with the workers from different nationalities, gender and age		Complied

Criterion / Indicator		Assessment Findings	Compliance
		confirmed that no discrimination was occurred in the mill.	
4.4.5.3	<p>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.</p> <p>- Major compliance -</p>	<p>There was employment contracts for staff and workers. Pay and conditions were documented and found above the Minimum Wage Order 2016. Sampled of employment contracts confirmed that terms and conditions were clearly outlined and signed by the worker. The daily rate of RM 35.38 for the workers was stated in the contract according to Minimum Wage Order 2016. Sampled of the payslips confirmed that the workers were paid in accordance with Minimum Wage Order 2016.</p>	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>There was no permanent contractor available in the mill. Most of the maintenance and repair work was carried out by their own technicians. Therefore, there was no issue on the wages of employees of contractors.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>All the recruited workers were registered in the Labour Registration Record where personal details such as name, nationality, next of kin, education standard, date of employed, job description, wage rate, date of birth and etc was stated in the registration card. Sampled of the Labour Registration Card as below:</p> <ul style="list-style-type: none"> a. Employee No.: 0XXXX b. Employee No.: 0XXXX c. Employee No.: 0XXXX d. Employee No.: 0XXXX 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		e. Employee No.: 0XXXX	
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment contracts were acknowledged and kept a copy by the workers verified through interviewed with the workers. The terms and conditions were clearly stated in the contract such as salary, annual leaves and public holiday entitlement, rate of work on rest day, overtime and etc. Sampled of employment contracts as below:</p> <ul style="list-style-type: none"> a. Employee No.: 0XXXX b. Employee No.: 0XXXX c. Employee No.: 0XXXX d. Employee No.: 0XXXX e. Employee No.: 0XXXX f. Employee No.: 0XXXX 	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>The mill was implemented the Thumb Print system where the attendance can be verified through the Electronic Time Card of individual workers. The time enter and exit of work also clearly stated in the time card.</p> <p>However, some of the workers have changed their off day in practice but in the Thumb Print System still shown the previous off day which caused confusion on the calculation of work on rest day. Sampled of workers Electronic Time Card as below:</p> <ul style="list-style-type: none"> a. Employee No.: 0XXXX changed from Thursday to Tuesday b. Employee No.: 0XXXX changed from Wednesday to Saturday 	Major nonconformance

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Criterion / Indicator		Assessment Findings	Compliance
		Thus, a major non-conformance was raised.	
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Records reviewed on the Electronic Time Card of sampled workers found that the enter time and exit time was clearly stated in the time card. Besides, the working hours and break time was indicated in the employment contract that acknowledged by the workers. Interviewed with the workers found that they were agreed with the overtime offered by the management and paid according to legal requirements.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "Electronic Time Card". Total hours of overtime and daily attendance were recorded in the time card. Sampled the payslip for month November 2017 as below: <ul style="list-style-type: none"> d. Employee No.: 0224N e. Employee No.: 0140C f. Employee No.: 0403E <p>All of them above were achieved the Minimum Wage Order 2016. Hours of overtime was recorded in the payslip as well. However sampled of payslip for the workers below found that their work on rest day were not paid in accordance to Sabah Ordinance (Sabah Cap. 67) amended as at 10.02.2005 by Act A1238, Section 104C. (2) (a) and (b) <i>"An employee employed on a daily, hourly or other similar rate of pay who works on a rest day shall be paid for any period of work—</i> <i>(a) which does not exceed half his normal hours of</i></p>	Major nonformance

Criterion / Indicator		Assessment Findings	Compliance
		<p><i>work, one day's wages at the ordinary rate of pay; or (b) which is more than half but does not exceed his normal hours of work, two days' wages at the ordinary rate of pay</i>" as below for November 2017:</p> <ul style="list-style-type: none"> a. Employee No.: 0XXXX b. Employee No.: 0XXXX c. Employee No.: 0XXXX <p>Thus, a major non-conformance was raised.</p>	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>The management provided free medical facilities to all the workers and dependents. Community Learning Centre was available for the children of foreign workers. There was a recognition event for those employees with best performance, best attendance and etc. Free treated water and electricity supply to all the workers.</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.</p> <p>- Major compliance -</p>	<p>During site visit to the linesite found that playground, football field, church, mosque and etc were available and free access to all the workers and dependents. Sundry shop and crèche was available at Segaria Estate which is nearby the Segaria POM's living quarters.</p> <p>However, it was found that Provision of basic amenities for water supplies not fully in compliance with Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). This was based on the evidence as following:</p> <p>Segaria POM:</p>	Major nonconformance

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sampling analysis of drinking water supplies was not based on National Drinking Water Quality Standard as per Certificate of Analysis Lab Ref. No.: 20171011/19B for Sample Marking: Domestic - Japanese Pond (Outlet)</p> <p>Thus, a major non-conformance was raised.</p>	
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Boustead Plantations Berhad was developed a Sexual Harassment Policy signed by Senior General Manager dated 11/1/2011. The company will ensure the comfort and security of every employees, clients, business partners and public that involved in the plantations' activities. The policy was clearly stated the types of sexual harassment such as verbal, visual, psychology, physical and etc. Training of the policy was conducted in Segaria POM on 1/11/2017 by Chairman of Gender Committee to all female workers and on 17/10/2017 to all the workers. Besides, the policy was publicly displayed at the notice board outside the office.</p>	Complied
4.4.5.13	<p>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.</p> <p>- Major compliance -</p>	<p>Boustead Plantations Berhad was developed Freedom of Association Policy dated 11/11/2011 signed by Senior General Manager. The company was committed and allowed their stakeholders such as employees, clients, business partner and etc to form or join any association. The company will established a Workers' Community for the employees to speak freely and the meeting will be conducted once every 3 months.</p> <p>Workers' Community was established in Segaria POM. Organization Chart and appointment letters dated 26/10/2017</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		for the committees were available. Meeting was conducted on 26/10/2017 with total 10 participants. Meeting minutes was sighted and issues raised during the meeting was recorded. There was a follow-up meeting on the issues raised during last meeting was conducted on 30/11/2017 to update on all the status of issues. Status of the issues were sighted in the minutes.	
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. - Major compliance -	Boustead Plantations Berhad was developed Employment of Child and Age Limit Policy dated 11/1/2011. The company will comply with the Children and Young Persons (Employment) Act 1966 and ILO Convention 138 (1973) Article 1-3. No workers less than 16 years old will be recruited and less than 18 years old for hazardous work. Document verified on the Employee Master List confirmed that all the workers employed were above 18 years old.	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	A formal training programme on all aspects of MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs was reviewed and found to be complied. Training programme planned for year 2017 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate	Complied

Criterion / Indicator		Assessment Findings	Compliance														
		<p>training on safe working practices provided to:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space and etc <p>The records of training were available at mill and estate office. Sample training checked:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>22/2/17</td> <td>Confined Space</td> <td rowspan="5">SPOM</td> </tr> <tr> <td>11/1/17</td> <td>First Aid Box</td> </tr> <tr> <td>11-12/1/17</td> <td>Lab Analysis</td> </tr> <tr> <td>17/10/17</td> <td>Policy Company</td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Date	Training	Remark	22/2/17	Confined Space	SPOM	11/1/17	First Aid Box	11-12/1/17	Lab Analysis	17/10/17	Policy Company			
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11-12/1/17	Lab Analysis																
17/10/17	Policy Company																
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>A formal training programme on all aspects of MSPO Principles and Criteria was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs was reviewed and found to be complied.</p> <p>Training programme planned for year 2017 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, 	Complied														

Criterion / Indicator		Assessment Findings	Compliance
		- workers working in confined space	
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>A formal training programme on all aspects of MSPO Principles and Criteria was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs was reviewed and found to be complied.</p> <p>Training programme planned for year 2017 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space and etc 	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Based on the <i>Polisi Alam Sekitar & Biodeversiti</i> (Environmental & Biodiversity Policy); dated 11/1/2011; signed by Senior GM of Bousted Estates Agency Sdn Bhd, the HCV Management Plan has been established as 4 objectives as following:</p> <ul style="list-style-type: none"> i. Wild Life Conservation 	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>Target: to ensure no illegal hunting activities inside or outside the estate perimeter</p> <p>Action plan: monitoring records of hunting incidences; collaboration with estate workers; local people and stakeholders such as neighboring estate to investigate the extent and reasons for hunting and their awareness; training of estate personnel especially Aps in anti-poaching measures; working closely with local authorities such as Perhilitan to highlight and curtail any illegal activities</p> <p>ii. Waterways Quality and Health Monitoring</p> <p>Target: to ensure recommended WQI index met a range of 81 to 100%</p> <p>Action plan: prohibit manuring and herbicide spraying at any point in buffer zone; prohibit application of herbicide/insecticide which classified as highly toxicity chemical; continue application of EFB as substitute fertilizers; monitoring the use of oil and chemical trap constructed to avoid chemical flowing into water source</p> <p>iii. Agricultural Land Contamination</p> <p>Target: to continuously establish and enhance in-estate buffers</p> <p>Action plan: establish 3m buffer zone adjacent to forest reserve; continue the in-estate program of establishment and enhancement of riverine buffer zones; continue planting of wild/natural species of hard word along</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>identified water courses, wetland and biodiversity area</p> <p>iv. Degradation of Agricultural Land</p> <p>Target: to minimize or free from soil erosion at slope/terrace area</p> <p>Action plan: planting LCC such as Pueraria Javanica at along slopes and Mucuna Bracteata; construct terrace at slope area >25o; continue constructing silt pits; conservation of Nephrolepis Biserrata; prohibit spray at any points of sloping banks; continue setting up buffer zone; planting certivar/Guatemala grasses; construct and maintain well drainage system; continue plant timer trees especially in buffer zone area</p> <p>The above programs were regularly communicated by estate management to all employees from time to time during routine workers assembly. The recent specific environmental and biodiversity policy briefing was conducted on 28/11/2017 attended by all estate and mill staff and employees.</p>	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>On top of the above biodiversity management plan and objectives, the environmental management plan covered in the established action plan of significant environmental aspects identified and impacts evaluated as per documents sighted as following:</p> <ul style="list-style-type: none"> - Environmental Aspect and Impact Identification 2017/2018; Serial # EAI/2017/001-1 to EAI/2017/013-4 dated 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>17/7/2017</p> <p>- Environmental Impact Evaluation Form Serial # EIE/2017/001-1 to EIE/2017/014-4 dated 17/7/2017</p>	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>As specified in indicator 4.5.1.1 & 4.5.1.2 above, the visit confirmed that the developed environmental improvement plan to mitigate the negative impacts and to promote the positive ones were effectively implemented and monitored. Sighted sample of monitoring records including <i>Buku Laporan Ronda Main Division Sempadan Hutan</i>. Record for patrolling dated 3/12/2017 reported by AP mentioned that there was a temporary settlement adjacent to Block PJ07 forest boundary which believed to be occupied by the logging workers under <i>Syarikat Raspand Sdn Bhd</i> but no evidence of hunting activities sighted.</p> <p>It was verified that Raspand Sdn Bhd are the subcontractor of Budi Kemuja Sdn Bhd whom were granted with the permission to conduct the work of clearing the area Communal Grant FR.124014946 Mount Pock Daerah Semporna by the Lands and Surveys Department of Semporna district. Sighted also letter kept by Segaria Estate letter ref. # PPHT/SEM:16/02/122()-ryppt; dated 3/7/2017 from the Lands and Surveys Department Semporna to the Managing Director of Boustead Emastulin Sdn Bhd, for the permission to extend the operation time of the contract works. However no any written respond found for the request through the letter in which the estate management decided not to allow the</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		extension of operation time for the access of the road within its boundaries.	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Based on the <i>Polisi Alam Sekitar & Biodeversiti</i>, dated 11/1/2011; signed by Senior GM of Bousted Estates Agency Sdn Bhd, the HCV Management Plan was established as 4 objectives as following:</p> <p>i. Wild Life Conservation</p> <p>Target: to ensure no illegal hunting activities inside or outside the estate perimeter in line with the Protection of Wild Life Act 1972</p> <p>Action plan: monitoring records of hunting incidences; collaboration with estate workers; local people and stakeholders such as neighboring estate to investigate the extent and reasons for hunting and their awareness; training of estate personnel especially Aps in anti-poaching measures; working closely with local authorities such as Perhilitan to highlight and curtail any illegal activities</p> <p>ii. Waterways Quality and Health Monitoring</p> <p>Target: to ensure recommended WQI index met a range of 81 to 100%</p> <p>Action plan: prohibit manuring and herbicide spraying at any point in buffer zone; prohibit application of herbicide/insecticide which classified as highly toxicity chemical; continue application of EFB as substitute</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>fertilizers; monitoring the use of oil and chemical trap constructed to avoid chemical flowing into water source</p> <p>iii. Agricultural Land Contamination Target: to continuously establish and enhance in-estate buffers Action plan: establish 3m buffer zone adjacent to forest reserve; continue the in-estate program of establishment and enhancement of riverine buffer zones; continue planting of wild/natural species of hard wood along identified water courses, wetland and biodiversity area</p> <p>iv. Zero Degradation of Agricultural Land Target: to minimize or free from soil erosion at slope/terrace area Action plan: planting LCC such as Pueraria Javanica at along slopes and Mucuna Bracteata; construct terrace at slope area >25°; continue constructing silt pits; conservation of Nephrolepis Biserrata; prohibit spray at any points of sloping banks; continue setting up buffer zone; planting certivar/Guatemala grasses; construct and maintain well drainage system; continue plant timer trees especially in buffer zone area</p>	

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The above programs were regularly communicated by estate management to all estate and mill employees from time to time during routine workers assembly. The recent specific biodiversity and environmental policy briefing was conducted on 28/11/2017 attended by all estate and mill staff and employees.	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Specific Environmental Aspects & Impacts reviews were conducted annually at each operating units. Briefings were done as part of the environmental management plan on regular basis including during workers daily muster briefing and weekly assembly.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	A plan for improving efficiency of the use of fossil fuels was established to include Mill and estate quarters, office, meeting room, weighbridge, laboratory and mill operation, fuel consumption at estate Diesel use per mt FFB was monitored every month. The Plan for Improving Fossil Fuel and Palm GHG FY 2017 includes the following: <ul style="list-style-type: none"> - To minimize and limit electrical usage - Replace bulb with an energy saving bulb last 10 times longer with 75% less energy - Switch off or unplug any charges or appliances not in use - To put in hibernate of sleep mode for all pc not in use <p>There was a plan established for improving efficiency of the use of fossil fuel. Sighted the mill diesel consumption 2014 – 2017 (as at October 2017). Diesel consumption/FFB</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		processed: 5.56 l/mt (Jan - Oct 2017).	
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 mill was established estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There uses mesocarp fibres as its main source of energy as the steam boiler fuel. Steam turbine was fully in operation when the process runs.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All waste products and sources of pollution was identified in Waste Management Action Plan Year 2017 for the mill. Based on the Waste Management Action Plan Year 2017 the following wastes and its sources were identified: - Domestic waste: Rubbish from linesite, office and etc. - Industrial waste: POME, EFB, scrap metal, compost, reused empty container, used tyres & tubes - Scheduled waste: SW305, SW306, SW 410 & SW 102	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:	As above, all waste products and sources of pollution was identified in Waste Management Action Plan Year 2017 for the mill. Site visit confirmed that the practice of reduce, reuse and	Complied

Criterion / Indicator		Assessment Findings	Compliance
	a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. - Major compliance -	recycle of materials was implemented. Segregation of wastes i.e. general wastes and scheduled wastes were verified to be satisfactory. Proper storage areas were identified for the storage of the recyclable wastes at the mill.	
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 - Major compliance -	Visit to mill shown the management and disposal plan was implemented accordingly. Records sighted for SW i.e. Identification Inventory of Scheduled Wastes; Ref.: ASSH/TWU(B)95/130/100/231; Inventory # 2016022415R9S2KE112017. 5 th schedule was update accordingly as on 30/11/2017. E-consignment dated 3/5/2017 for SW102, SW305, SW306, SW410 by Legenda Bumimas Sdn. Bhd.	Complied
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory. Proper storage areas were identified for the storage of the recyclable wastes.	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, particulate and soot emissions, scheduled wastes, solid wastes and effluent.	Based on the assessment done by the mill of all polluting activities as of the Environment Aspect and Impact assessment, identified sources were boiler chimney, POME treatment & diesel as the main GHG pollutants.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Current monitoring was through online boiler smoke density and alarm and quarterly boiler stack monitoring of dust particulate. Other environmental assessment carried out as per Action Plan for Environmental Assessment 2017 established. Sampled boiler stack emission monitoring sighted was carried out on 22 November 2017 by Chemsain Konsultant Sdn Bhd. Verified draft report, Ref# CK/MO407/177-1/17. The average dust emission result, 0.129 g/Nm3 , dry @ 12 % CO2 vs regulatory limit of 0.4 g/Nm3 , dry @ 12 % CO2.	
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	<p>Significant pollutants identified were SW generated, POME discharge and boiler stack emissions. These pollutants impact to GHG were calculated through the Palm GHG V3 calculator. Sighted the calculation for previous (2016) year i.e. Palm GHG Report – Segaria Business Unit recorded an overall total GHG emission of 0.77 tCO2e/mt of both CPO and PK products.</p> <p>Monitoring of POME discharge conducted on monthly basis through sample analysis by external lab. Sighted sample Certificate of Analysis; Cert. # 20171114-06-0; Sample date: 7/11/2017; Report date: 20/11/2017; Sample mark: A. Upstream; B. Downstream; C. Final discharge (POME). Analysis done by Dynakey Laboratories shown all results found within the limits as per DOE compliance schedule.</p> <p>Current monitoring for emmissions was through online boiler smoke density and alarm and quarterly boiler stack monitoring of dust particulate. Other environmental assessment carried out as per Action Plan for Environmental Assessment 2017 established. Sampled boiler stack emission monitoring sighted</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>was carried out on 22 November 2017 by Chemsain Konsultant Sdn Bhd. Verified draft report, Ref# CK/MO407/177-1/17. The average dust emission result, 0.129 g/Nm³ , dry @ 12 % CO₂ vs regulatory limit of 0.4 g/Nm³ , dry @ 12 % CO₂.</p> <p>The management and disposal plan was implemented accordingly. Records sighted for SW i.e. Identification Inventory of Scheduled Wastes; Ref.: ASSH/TWU(B)95/130/100/231; Inventory # 2016022415R9S2KE112017. 5th schedule was update accordingly as on 30/11/2017. E-consignment dated 3/5/2017 for SW102, SW305, SW306, SW410 by Legenda Bumimas Sdn. Bhd.</p>	
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>Monitoring of POME discharge conducted on monthly basis through sample analysis by external lab. Sighted sample Certificate of Analysis; Cert. # 20171114-06-0; Sample date: 7/11/2017; Report date: 20/11/2017; Sample mark: A. Upstream; B. Downstream; C. Final discharge (POME). Analysis done by Dynakey Laboratories shown all results found within the limits of Raw Water Quality Standard.</p>	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>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>Documented Water Management Plan Year 2017 inclusive of location; wastewaters produced; treatment/containment method; reuse/recycle/disposal method was sighted. The plan implemented as per following:</p> <ul style="list-style-type: none"> - Identification of water sources 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>a) Assessment of water usage and sources.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<ul style="list-style-type: none"> - Efficient use of water - Renewability of water sources - Riparian buffer zone - Areas where buffer zone not established - Water quality monitoring - Effluent analysis - Demarcation of wetlands areas - Soil and water conservation measures - No construction of bunds/weirs/dam across main rivers <p>Sampled implementation in place including the following monitoring were sighted:</p> <ul style="list-style-type: none"> - Monthly water analysis by mill, latest conducted on 7/11/2017; Analysis cert. no.: 20171114/006A-06C by Dynakey Laboratories Sdn Bhd - Yearly estate river inlet and outlet analysis; Analysis cert. no.: 20171011-19A-0 - 20B-0); dated: 31/10/2017 at Sipit Division by Dynakey Laboratories Sdn Bhd <p>Protection of water courses and wetlands implemented as per established policy of slope and river buffer protection policy (Refer <i>Polisi Zon Perlindungan Cerun dan Zon Penampayan Sungai</i>); dated 12/1/2015. Protection program includes monitoring of river water quality as per sample Certificate of Analysis; Cert. # 20171114-06-0; Sample date: 7/11/2017; Report date: 20/11/2017; Sample mark: A. Upstream; B. Downstream; C. Final discharge (POME). All results found</p>	

Criterion / Indicator		Assessment Findings	Compliance
		within the limit as per DOE compliance schedule.	
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	No open discharge of POME into water course was practiced. This was based on the field visit which found piping installation of sprinkler applications which were verified with the documents sighted as following: <ul style="list-style-type: none"> • DOE Licence: JPKKS/12/003471 (validity period 1/7/2017 - 30/6/2018) for 30 MT/hr and method of POME discharge is land irrigation with BOD final discharge limit <50mg/l • Discharge from Final Discharge Pit; Plan # SJ/701/14/01-02 Proposed Dewatering Press Site; Plan # GE/SP/ETP/182 Proposed Sprinkler Application Site 	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Quality Assurance Manual (QAM, Rev:01, Date:2/11/09), Mill operation Manual (MOM, Issue 2, Date: June 2002) and Standard Operating Procedure for SPOM was established to cover all the station. Sighted some of the procedure related to loading ramp, sterilization station, threshing and press station, clarification station, kernel station, depericarper station, kernel station, effluent treatment plant, boiler house, power house, water treatment plant and etc. Work Instructions were derived from SOPs and it were displayed at work stations at the mill and at certain locations	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		at the estates, such as the Muster Notice Boards. Eg: WI Boiler Station, WI Sterilizer Station, WI Oil Room, WI Press Station and etc.	
4.6.1.2	All palm oil mills shall implement best practices.. - Major compliance -	The implementation in the SPOM was consistent with the Quality Assurance Manual and Wowk Instruction. Sighted Internal Audit report which was conducted once a year by Sustainability section, the 1 st internal audit was conducted on 30-2/11/2017 to cover the entire criterion stated in the standard and SOP. Visiting Engineering Visit for Segaria POM was conducted on 22/2/2017 by Deputy Group Engineer, Group Engineering Department. However, the report yet to receive. Thus, a major non-conformance was raised.	Major nonconformance
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	SPOM and supply base was established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme eg: Capital expenditures, vehicle and heavy planrunning schedule, OER, KER and etc. Budget 2018 and 5 years planning horizon (projections 2019- 2023) was verified during the audit. Segaria POM was made progress towards achieving their performance production targets for the current financial year.	Complied



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Criterion / Indicator		Assessment Findings	Compliance
		<u>Segaria POM</u> 1. EFB Cruching System 2. New unit vacuum dryer pump 3. Moving floor and fuel bunker for shredded EFB	
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 -	Sampled of contract agreement that signed by the contractors as below: a. Company Name: Jacphenie Shipping & Freight Forwarding Sdn Bhd for transporting CPO from mill to buyers which valid from 1/1/2017 to 31/12/2017. b. Company Name: Yee Ping Trading for transporting Palm Kernel from mill to buyers which valid from 1/1/2017 to 31/12/2017. c. Company Name: Syarikat Perdagangan Lean Soon Hung Sendirian Berhad for transporting CPO from mill to buyers which valid from 1/1/2017 to 31/12/2017.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The manner of payment of remuneration shall paid by the company to contractor not later than the 15 th days each month upon settling the mill's account for the preceding month. Sampled of payment vouchers for September, October and November 2017 found that the payments were made on 10 th or 11 th of the month. Interviewed with the contractors confirmed that no delay of payment by Boustead Plantations	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Berhad.	
Criterion 4.6.4: Contractor			
4.6.4.1	<p>In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>Sampled of the contract agreement found that a special clause on MSPO compliance where applicable to them was not stated on the agreement.</p> <ul style="list-style-type: none"> a. Company Name: Jacphenie Shipping & Freight Forwarding Sdn Bhd for transporting CPO from mill to buyers which valid from 1/1/2017 to 31/12/2017. b. Company Name: Yee Ping Trading for transporting Palm Kernel from mill to buyers which valid from 1/1/2017 to 31/12/2017. c. Company Name: Syarikat Perdagangan Lean Soon Hung Sendirian Berhad for transporting CPO from mill to buyers which valid from 1/1/2017 to 31/12/2017. <p>Thus, a major non-conformance was raised.</p>	Major Non Compliance
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>The contractors were signed on the contract agreement prior to provide services. Seen the contract agreement and details as refer to Criterion 4.6.3.1.</p>	Complied
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p>	<p>Boustead Plantations Berhad was agreed for BSI auditors to verify the assessment through a physical inspection if required.</p>	Complied

4.0 Assessment Conclusion and Recommendation:

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Segaria Mill and Segaria Estate Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Segaria Palm Oil Mill and Segaria Estate Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: AMUR B. SEMBIL	Name: Mohd Hafiz Bin Mat Hussain
Company name: BOUSTEAD PLT. BHD.	Company name: BSI Services Malaysia Sdn. Bhd.
Title: PLANNING ADVISOR	Title: Lead Auditor
Signature: 	Signature: 
Date: 5/2/2018	Date: 02/02/2018

Appendix A: Assessment Plan

Date	Time	Subjects	MH	HMM	HNS
Sunday, 03/12/17	02.35pm - 05.25 pm	Audit Team travelling to Tawau via MH 2664 Check in hotel at Tawau	√		
Monday, 04/12/17	09.00 am - 03.00 pm	Meeting with stakeholders (Government, NGO, contractor at Tawau)	√		
	02.25 pm - 05.25 pm	Audit Team travelling to Tawau via MH 2664		√	√
	05.30 pm	Check in hotel at Samporna	√	√	√
Thursday 07/12/17 (MSPO)	08.30 am - 12.00 pm	Segaria Palm Oil Mill: Document Review (part 4), 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	√	√	√
	12.00 pm - 01.00 pm	LUNCH	√	√	√
	01.00 pm - 04.30 pm	Segaria 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	√	√	√
	04.30 pm - 05.30 pm	Interim Closing Briefing	√	√	√
Friday 08/12/17 (MSPO)	08.30 am - 10.00 am	Segaria Estate and Segaria POM: Continue with unfinished elements	√	√	√
	10.00 am	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	11.00 am - 12.00 am	Closing meeting (MSPO)	√	√	√
Saturday 09/12/17	11.05 am - 01.40 pm	Audit team travel back to KL via MH 2661	√	√	√

Appendix B: List of Stakeholders Contacted

Internal Stakeholders

Workers' Committee Representative (SPOM & SE) Gender Committee Representative (SPOM & SE) Sprayer Harvester Mill Operators
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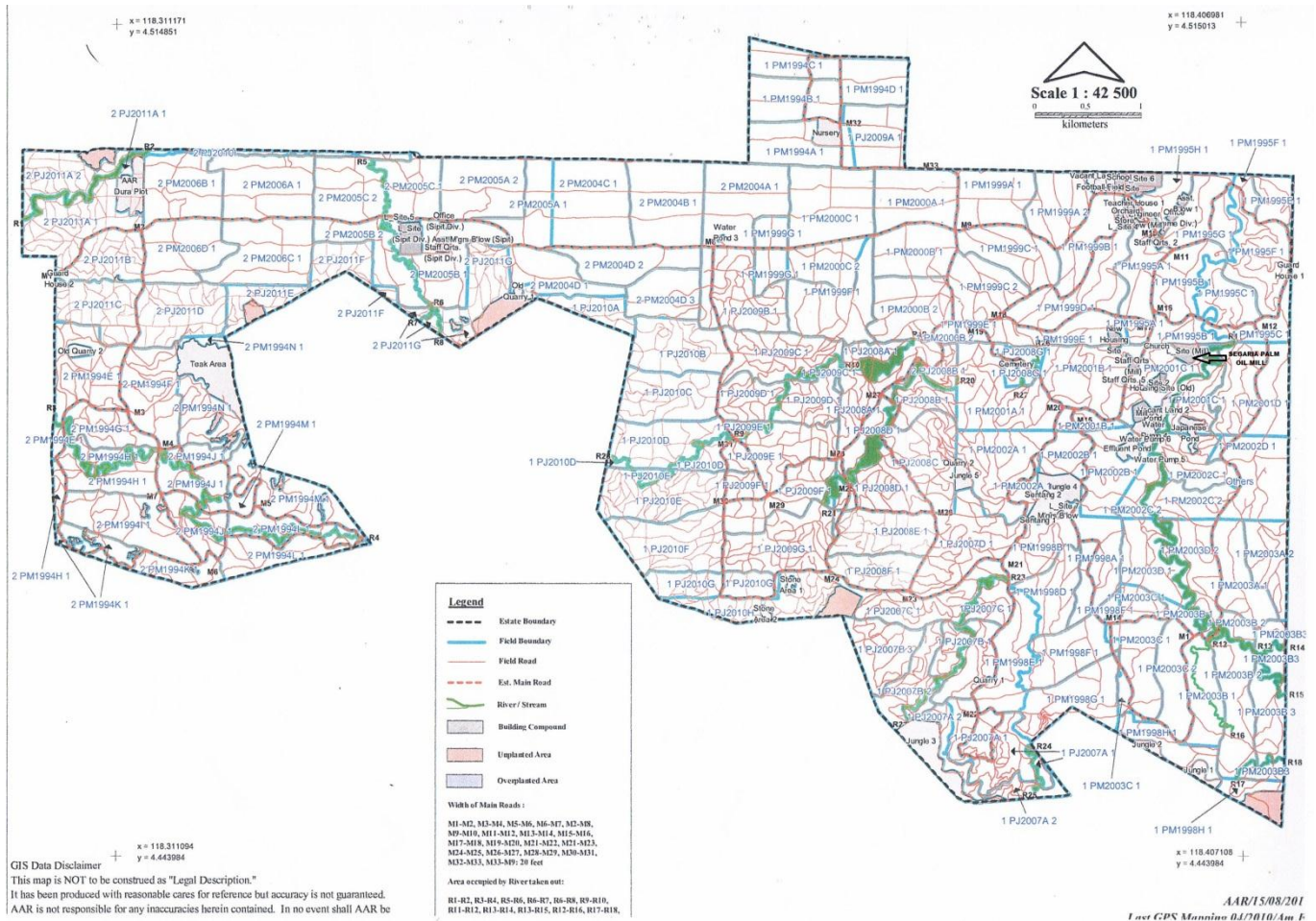
External Stakeholders

Government Departments	NGOs and others	Local Communities
DOSH, Tawau DOE, Tawau Imigration Department, Semporna	Agensi Pekerjaan JBM Sdn Bhd Contractors	Ketua Kampung Taman Indah Ketua Kampung Taman Mewah

Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	N/A			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

Appendix D : Location Map of Segaria Palm Oil Mill and Segaria Estate



Appendix E: List of Abbreviations Used

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
RC	Re-Certification
RED	Renewable Energy Directive
SE	Segaria Estate
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SPOM	Segaria Palm Oil Mill
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids