

**MALAYSIAN SUSTAINABLE PALM OIL (MSPO) –  
ANNUAL SURVEILLANCE ASSESSMENT (ASA 1)  
Public Summary Report**

<b>BOUSTEAD PLANTATIONS BERHAD</b>
Head Office: 19 <sup>th</sup> 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:**  
**Hafriazhar Mohd Mokhtar** (Lead Auditor)

**Report Number: 9672108**

**Assessment Conducted by:**  
BSI Services Malaysia Sdn Bhd,  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
[www.bsigroup.com](http://www.bsigroup.com)

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## Section 1: Executive Summary

<b>1.1 Organizational Information and Contact Person</b>			
MPOB License	Segaria Mill : 508110904000 Segaria Estate: 504677002000		
Company Name	Boustead Emastulin Sdn Bhd- Segaria Bussiness Unit		
Address	Head office : 19 <sup>th</sup> 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	<a href="http://www.bousteadplantations.com.my">www.bousteadplantations.com.my</a>	<b>E-mail</b>	<a href="mailto:anuar.bea@boustead.com.my">anuar.bea@boustead.com.my</a> <a href="mailto:hanani.bea@boustead.com.my">hanani.bea@boustead.com.my</a>
Telephone	+603-2145 2121	<b>Facsimile</b>	+603-2144 7917

<b>1.2 Certification Information</b>			
Certificate Number	MSPO 682292 – Segaria POM MSPO 682293 – Segaria Estate		
Issue Date	09/11/2018	Expiry date	21/03/2023
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	31/1 – 1/2/2019		
Continuous Assessment Visit Date (CAV) 2	-		
Continuous Assessment Visit Date (CAV) 3	-		
Continuous Assessment Visit Date (CAV) 4	-		
<b>Other Certifications</b>			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
QMS 00454	ISO 9001:2015	SIRIM QAS International Sdn Bhd	20 <sup>th</sup> July 2021
RSPO 682292	RSPO	BSI Services Malaysia Sdn Bhd	6 <sup>th</sup> March 2023

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<b>1.3 Location of Certification Unit</b>			
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" E	4° 29' 54.3" N
Segaria Palm Oil Mill	P.O. Box 132, 91308 Semporna, Sabah, Malaysia	118° 23' 54.6" E	4° 28' 54.3" N

<b>1.4 Plantings &amp; Cycle</b>					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Segaria Estate	234.40	614.90	2,829.30	786.50	0.00
<b>TOTAL</b>	<b>234.40</b>	<b>614.90</b>	<b>2,829.30</b>	<b>786.50</b>	<b>0.00</b>

<b>1.5 Certified Tonnage of FFB (Own Certified Scope)</b>			
Producer Group	Projected (Dec 17 – Nov 18)	Actual production (Dec 17 – Nov 18)	Projected production (Dec 18 – Nov 19)
Segaria Estate	98,200.00	95,367.48	89,100.00
<b>TOTAL</b>	<b>98,200.00</b>	<b>95,367.48</b>	<b>89,100.00</b>

<b>1.6 Certified CPO / PK Tonnage</b>			
Segaria POM 30 MT/hr	Estimated (Dec 2017– Nov 2018)	Actual (Dec 2017– Nov 2018)	Forecast (Dec 2017– Nov 2018)
	<b>CPO (OER: 22.93%)</b>	<b>CPO (OER: 23.11%)</b>	<b>CPO (OER: 23.00%)</b>
	22,525.00	22,043.00	20,493.00
	<b>PK (KER: 3.97%)</b>	<b>PK (KER: 3.44%)</b>	<b>PK (KER: 3.50%)</b>
	3,900.00	3,277.00	3,118.50

<b>1.7 Certified Area</b>					
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	94.07
<b>Total</b>	<b>4,465.10</b>	<b>134.90</b>	<b>146.20</b>	<b>4,746.20</b>	<b>94.07</b>

**1.8 Details of Certification Assessment Scope and Certification Recommendation:**

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 31 Jan – 1 Feb 2019.

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 and MS 2530-4:2013 Part 4: General principles for palm oil mills and recommended for certification recommended for continuation of certification.

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
Nicholas Cheong: [Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

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 31 Jan – 1 Feb 2019. The audit programme is included as Appendix A. The approach to the audit was to treat the mill or plantations as a MSP0 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.

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  $S = r\sqrt{n}$  where  $n$  is the number of estates while when applicable, the smallholders sample were determined following the MSP0 Certification Requirement. The sampling of smallholders were based on the formula  $(r\sqrt{n})$ ; where  $r$  is the risk factor (may defers 1, 1.5 and 2 depending on risk), where  $n$  is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

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

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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**

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

**Tentative Date of Next Visit: October 21, 2019 - October 22, 2019**

**Total No. of Mandays: 4.0**

**BSI Assessment Team:**

**Hafriazhar Mohd Mokhtar – Lead Auditor**

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, Solomon Islands and Africa 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.

**Mohd Hafiz Mat Hussain – Team Member**

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.

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He hold Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. 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.



### Section 3: Assessment Findings

#### 3.1 Details of audit results

This assessment has been assessed using the following MSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

#### 3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Annual Surveillance Assessment there were five (5) Major nonconformities & one (1) OFI 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
1735572-201901-M1	Segaria Estate	Part 3: [4.4.5.6]
Requirements:	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.	
Statement of Nonconformity:	Document for contract of employments was not available for some foreign workers.	
Objective Evidence:	Workers were found being employed without having the work agreement as per following: - Worker name: Serlito G. Sumilhig; Sex: Male; Nationality: Philippine - Worker name: Rosemarie Caangay Estimo; Sex: Female; Nationality: Philippine - Worker name: Grace Fui Ling; Sex: Female; Nationality: Philippine - Worker name: Latang Bin Padang; Sex: Male; Nationality: Indonesia - Worker name: Nilorin A. Canoy; Sex: Male; Nationality: Philippine - Worker name: Jubaira Jimlani; Sex: Female; Nationality: Philippine	
Corrections:	Expedite legalization process then prepare new fresh work agreement for them.	
Root cause analysis:	Expiry of valid passport and work pass during retention at Immigration Department of Semporna District for renewal purpose.	
Corrective Actions:	Contract agreement must be available for new recruit/engage worker prior to start work.	
Assessment Conclusion:	Evidence verified during Major Close Out:	

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	<ol style="list-style-type: none"> <li>1. Expedite follow-up email with agent</li> <li>2. Re-application to ambassador through agent</li> <li>3. Work agreement copy sample</li> </ol> <p>All the evidence sighted found adequate. Thus, Major NC was closed on 02/04/2019.</p>
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Major Nonconformities:		
Ref	Area/Process	Clause
1735572-201901-M2	Segaria Estate	Part 4: [4.4.5.5]
Requirements:	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.	
Statement of Nonconformity:	The records that provide an accurate account of all employees was not available for some foreign workers employed not according to special labour policy and procedures.	
Objective Evidence:	List of workers already employed (Senarai Pekerja Filipina - Passport Baru) not according to Foreign Labour Policy (Date Approved : 13/4/2016) and Foreign Workers Procedure (Issue 1; Date of issue: Jan 2016; Rev. # 1; Date Approved: 25/1/2016)	
Corrections:	Correction has been made by calling the respective Staffs for short briefing/training session on SOP's to ensure new task/duty is duly understand.	
Root cause analysis:	The person in-charge who monitor in respect the engagement of new foreign worker was not well verse with Foreign Labour Policy and Foreign Workers Procedure.	
Corrective Actions:	Provide necessary training where's new task allocate to subordinate.	
Assessment Conclusion:	<p>Evidence verified during Major Close Out:</p> <ol style="list-style-type: none"> <li>1. Briefing to PIC and memo</li> </ol> <p>All the evidence sighted found adequate. Thus, Major NC was closed on 02/04/2019.</p>	

Major Nonconformities:		
Ref	Area/Process	Clause
1735572-201901-M3	Segaria Estate	Part 3: [4.5.6.1]
Requirements:	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ol style="list-style-type: none"> <li>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</li> <li>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat</li> </ol>	

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	requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.
Statement of Nonconformity:	The information of high biodiversity was not available.
Objective Evidence:	Bousted Segaria Estate engaged an external HCV assessor (Malaysia Environmental Consultant – MEC) to conduct a comprehensive assessment to cover both planted area and relevant wider landscape-level considerations. However, the full report was yet to be issued by MEC.
Corrections:	To follow up with BEA Sustainability section at HQ. E-mails dated 01/02/2019 and 07/02/2019 to MEC (Evironmental Consultant) was been delivered as to urge them expedite full report submission.
Root cause analysis:	Full HCV report not yet submitted by external HCV assessor (Malaysia Environmental Consultant)
Corrective Actions:	Management plan will be done and implement once HCV report obtained.
Assessment Conclusion:	Evidence verified during Major Close Out:- 1. Follow-up Emails dated 1/2/2019 & 7/2/2019 2. Extracts of HCV report November 2017 by MEC 3. HCV Management Action Plan 2019 All the evidence sighted found adequate. Thus, Major NC was closed on 02/04/2019.

Major Nonconformities:		
Ref	Area/Process	Clause
1735572-201901-M4	Segaria Estate	Part 3: [4.4.4.2]
Requirements:	The occupational safety and health plan shall cover the following: j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	
Statement of Nonconformity:	Some accident records was not kept and reviewed	
Objective Evidence:	In estate, Audiometric test done on 27 October 2018, found 4 hearing impairment from 5 participant (Workers ID:1211,1460,1504 & 2230) not declared under JKPP 7 and JKPP 8	
Corrections:	Liaise with respective Assessor then immediately notify DOSH through JKPP7 and quickly do amendment of JKPP8 for year 2018.	
Root cause analysis:	Misinterpretation between Estate Management and Assessor.	
Corrective Actions:	Timely JKPP7 submission upon test result discussion which clearly agreed by both parties.	
Assessment Conclusion:	Evidence verified during Major Close Out:- 1. Records of JKPP 8 (Akuan Penerimaan Pendaftaran JKPP 8; Ref. # JKPP 8/37789/2018; Date: 30/3/2019 2. Letter by Bousted Estate and Acknowledgement email by DOSH of cancellation of previous submitted JKPP 8; Date: 27/3/2019 All the evidence sighted found adequate. Thus, Major NC was closed on	

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Major Nonconformities:		
Ref	Area/Process	Clause
1735572-201901-M5	Segaria Palm Oil Mill	Part 4: [4.5.1.3]
Requirements:	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored	
Statement of Nonconformity:	A waste management and disposal plan to avoid or reduce pollution was not effectively implemented	
Objective Evidence:	During site visit in Segaria POM, found decanter cake and boiler ash was not stored properly due to emergency situation caused by installation of new decanter machines	
Corrections:	Immediately clear off the decanter cake for fertilizer.	
Root cause analysis:	Underestimate of decanter cake produced caused by the installation of new decanter machine.	
Corrective Actions:	To prepare the dedicated storage area for decanter cake and to propose for Budget 2020 for concrete storage area for decanter cake.	
Assessment Conclusion:	Evidence verified during Major Close Out:- 1. Clearance of temporary/improper decanter cake and boiler ash area in front of mill 2. Construction of permanent/proper decanter cake and boiler ash area behind the mill 3. Transport of decanter cake and boiler ash weighbridge ticket 4. Records of decanter cake application within Segaria Estate fields All the evidence sighted found adequate. Thus, Major NC was closed on 02/04/2019.	

Opportunities for Improvements	
1	Part 4 - 4.6.4.1: The required documentation and information to contractor to ensure understanding of MSP0 requirements need to be observed

Noteworthy Positive Comments	
1.	Good cooperation among the team.
2	Good document retrieval.

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

Finding Reference	1559774-201712-M1	Certificate Reference	MSPO 682293
Certificate Standard	MS2530-4:2013	Clause	Part 4: 4.6.1.2
Category	Major		
Area/Process:	Boustead Segaria POM and Estate Certification Unit		
Details:	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 be received.		
Cause	Pending reply from respective Visiting Engineer		
Correction / containment	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.		
Corrective action	<p>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.</p> <p>ASA 1 verification: 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 internal audit was conducted on 13-16/11/2018 to cover the entire criterion stated in the standard and SOP.</p> <p>Visiting Engineering Visit for Segaria POM was conducted on 28-30/8/2019 by Deputy Group Engineer, Group Engineering Department. The report (09/2018) was sighted.</p> <p>No recurrence of issue found during this visit, hence the Major NC remained closed.</p>		
Closed?:	Yes		

Finding Reference	1559774-201712-M2	Certificate Reference	MSPO 682293
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3 & Part 4: 4.4.1.1
Category	Major		
Area/Process:	Boustead Segaria POM and Estate Certification Unit		

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Details:	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.
Cause	Pending final report by MEC
Correction / containment	Immediately liaise with sustainability department to get necessary assistance
Corrective action	<p>To ensure that report is available within two weeks' time and reply any comment in the report if necessary.</p> <p>ASA 1 verification:</p> <p>Social impacts plans were based on the documented Social Impact Assessment Segaria Estate and Mill Semporna, Sabah Malaysia, November 2017; Size of Assessment: 3,071.6 ha (Main Division); 1,393.5 ha (Sipit Division); Date of Assessment: 27/9 – 1/10/2017; Date of Report: 30/11/2017 by Malaysia Environmental Consultant (MEC). The plan established as Management Plan on Social Impact Assessment for the Year 2018; Reviewed &amp; Updated on Apr. 2018 includes mitigation plan for following:</p> <ul style="list-style-type: none"> <li>- Many workers and their families hold expired passports and work permits (or dependent permits)</li> <li>- Many workers also do not possess work permits</li> <li>- Some workers including undocumented workers do not have the legal documents – no passports nor work permits</li> <li>- No consent letter from workers permitting the company to hold on tho their passports</li> <li>- Company also does not have a letter from the agency to state that the passports or work permits are held by the agency or work permits are held by the agency or Malaysian Immigration for renewal purposes</li> <li>- No established system or master list to track expiry dates and to track the location of passports</li> </ul> <p>No recurrence of issue found during this visit, hence the Major NC remained closed.</p>
Closed?:	Yes

Finding Reference	1559774-201712-M3	Certificate Reference	MSPO 682293
Certificate Standard	MS2530-4:2013	Clause	Part 4: 4.4.5.7
Category	Major		
Area/Process:	Boustead Segaria POM and Estate Certification Unit		
Details:	The time recording system for rest day was not implemented effectively.		
Objective evidence:	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		

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	<p>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</p> <p>b. Employee No.: 0403E changed from Wednesday to Saturday</p>
Cause	Old setting in attendance data recording yet to be configured.
Correction / containment	To ensure that the data recording in the system is always up to date and do correct setting if any necessary changes needed.
Corrective action	<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"> <li>1. Employee No.: 0321F Rest day on Tuesday</li> <li>2. Employee No.: 0403E Rest day on Saturday</li> <li>3. Employee No: 0302G Rest day on Sunday</li> <li>4. Employee No:0305H Rest day on Friday</li> <li>5. Employee No: 0307B Rest day on Sunday</li> <li>6. Employee No:0321F Rest day on Tuesday</li> </ol> <p>ASA 1 verification:</p> <p>The mill has 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>No recurrence of issue found during this visit, hence the Major NC remained closed.</p>
Closed?:	Yes

Finding Reference	1559774-201712-M4	Certificate Reference	MSPO 682293
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3 & Part 4: 4.4.5.9
Category	Major		
Area/Process:	Boustead Segaria POM and Estate Certification Unit		
Details:	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</p>		

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	<p>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>
Cause	Yet to establish a system for tracking employees that plan to work in rest day.
Correction / containment	<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>
Corrective action	<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> <p>ASA 1 verification:</p> <p>Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "Field &amp; General Workers Daily Attendance and Oil Palm Harvester Reception Data". Total hours of overtime and daily attendance has recorded in the time sheet.</p> <p>Documentations of pay available in the form of Monthly Pay Slip and conditions as per Work Agreement Contract as per sample sighted as following:</p> <ul style="list-style-type: none"> <li>- Employee # 1551; Employee Code Group: G (General/Field Worker)</li> <li>- Employee # 2563; Employee Code Group: P (Harvester)</li> <li>- Employee # 2487; Employee Code Group: G (General/Field Worker)</li> <li>- Employee # 2344; Employee Code Group: G (General/Field Worker)</li> <li>- Employee # 2485; Employee Code Group: G (General/Field Worker)</li> </ul> <p>Conditions of pay documented in employee work agreements which is based on new Minimum Wages Order 2018 with pricing list for piece-rate workers i.e. Boustead Estate Harvesting Rate for Checkroll Harvesters for Year 2019.</p>



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	<p>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 has recorded in the time card. Sampled of payslips sighted as below:</p> <ul style="list-style-type: none"> <li>i. Employee ID # 0131G; Post: USB Collector (Process)</li> <li>ii. Employee ID # 0141J; Post: Press Operator (Process)</li> <li>iii. Employee ID # 0403E; Post: Fitter Apprentice (Workshop)</li> <li>iv. Employee ID # 0318B; Post: Fitter Sample Boy (Lab)</li> </ul> <p>Conditions of pay documented in employee work agreements which is based on new Minimum Wages Order 2018.</p> <p>No recurrence of issue found during this visit, hence the Major NC remained closed.</p>
Closed?:	Yes

Finding Reference	1559774-201712-M5	Certificate Reference	MSPO 682293
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3 & Part 4: 4.6.4.1
Category	Major		
Area/Process:	Boustead Segaria POM and Estate Certification Unit		
Details:	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> <ul style="list-style-type: none"> <li>a. Company Name: Jacphenie Shipping &amp; Freight Forwarding Sdn Bhd for transporting CPO from mill to buyers which valid from 1/1/2017 to 31/12/2017. (Segaria POM)</li> <li>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)</li> <li>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)</li> <li>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)</li> <li>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)</li> </ul>		
Cause	Follow the previous contract term as mill is yet to be certified.		
Correction / containment	Immediately ask for assistance from Marketing and Sustainability Department to prepare new contract with new terms.		

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Corrective action	<p>Come out with new terms which include MSPO compliance in new contract onwards.</p> <p>ASA 1 verification:</p> <p>Sampled of the contract agreement found that a special clause on MSPO compliance where applicable to them was stated on the agreement as per sample:</p> <ul style="list-style-type: none"> <li>- Agreement for Supply and Construction of One (1) Block Semi-Detached Junior Staff Quarters and One (1) Block of Four (4) Units Workers Quarters c/w Electrical, Piping and Compound Drainage Works for Segaria Palm Oil Mill, Semporna, Sabah, between Boustead Emastulin Sdn. Bhd. and Palm Coast Engineering Sdn. Bhd.</li> </ul> <p>Sampled of the contract agreement found that a special clause on MSPO compliance where applicable to them was stated on the agreement.</p> <p>a. Contract No.: 2018-01 for FFB transport from field to Segaria POM which valid from 1/1/2018 to 31/12/2018.</p> <p>b. Contract No.: 2019-03 for FFB transport from field to Segaria POM which valid from 1/1/2019 to 31/12/2019.</p> <p>No recurrence of issue found during this visit, hence the Major NC remained closed.</p>
Closed?:	Yes

Finding Reference	1559774-201712-M6	Certificate Reference	MSPO 682293
Certificate Standard	MS2530-3:2013 & MS2530-4:2013	Clause	Part 3 & Part 4: 4.4.5.11
Category	Major		
Area/Process:	Boustead Segaria POM and Estate Certification Unit		
Details:	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:</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>		
Cause	Misinterpretation on actual parameters that have to be tested.		
Correction / containment	All the drinking water samples was sent out for testing on 06.12.2017.		

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<p>Corrective action</p>	<p>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.</p> <p>ASA 1 verification: 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> <p>Both mill and estate maintained 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.</p> <p>Drinking water monitoring log book was maintained by the mill. The latest monitoring was done on 6/7/2018. The report dated 10/8/2018 (20180712/11 and 20180712/12) was sighted. Other amenities including sundry shop and canteen available within estate compound for workers convenience.</p> <p>No recurrence of issue found during this visit, hence the Major NC remained closed.</p>
<p>Closed?:</p>	<p>Yes</p>

**3.4 Issues Raised by Stakeholders**

IS #	Description
1	<p><b>Issues:</b> Sundry shop storekeeper – no issue with company and workers whom spending for their daily sundries at the shop.</p> <p><b>Management Responses:</b> Positive comments noted.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
2	<p><b>Issues:</b> Grass-cutting contractor – been long service the company for more than 5 years. No issue in pricing and payments.</p> <p><b>Management Responses:</b> Positive comments noted.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
3	<p><b>Issues:</b> CLC teacher – good support and cooperation given by management in ensuring children of all foreign workers attending CLC school.</p> <p><b>Management Responses:</b> Management always ensure that workers give no excuse to send their children to CLC school for the benefit of their children.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
4	<p><b>Issues:</b> Ladang Ringlet (neighbour estate) – attended stakeholder consultation meeting conducted recently. Understood Boustead’s commitment towards sustainability. Have good relationship with the management.</p> <p><b>Management Responses:</b> Neighbour estate will be always consulted in case of any required since the road to Boustead area is through neighbour access.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
5	<p><b>Issues:</b> EHA assistant – good facilities provided by management as workers convenience for basic medical treatment. Management provide transport for workers if need to go to the hospital.</p> <p><b>Management Responses:</b> Estate located not far from Semporna town where government hospital available. However, basic medical needs still provided by estate clinic.</p> <p><b>Audit Team Findings:</b> No further issue.</p>

**3.5 Summary of the Nonconformities and Status**

<b>CAR Ref.</b>	<b>CLASS</b>	<b>ISSUED</b>	<b>STATUS</b>
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-M6	Major	8/12/2017	Closed on 19/1/2018
1735572-201901-M1	Major	1/2/2019	Closed on 2/4/2019
1735572-201901-M2	Major	1/2/2019	Closed on 2/4/2019
1735572-201901-M3	Major	1/2/2019	Closed on 2/4/2019
1735572-201901-M4	Major	1/2/2019	Closed on 2/4/2019
1735572-201901-M5	Major	1/2/2019	Closed on 2/4/2019

**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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	The MSPO Policy was established where the policy was signed by Sr General Manager of Boustead Plantations Berhad on 1/11/2014.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. - <b>Major compliance</b> -	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
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	Internal Audit was conducted once a year by Sustainability section, the internal audit was conducted on 13-16/11/2018 to cover the entire criterion stated in the standard. Internal audit was led by Mr Hafizi Boniran and assist by 2 auditors as team members. During the internal audit, there was 7 Major NCR, 1 Minor NCR and 13 OFIs were issued. All the findings were in progress of closure.	Complied

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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. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	All records related to Internal Audit was maintained and available at both estate visited for review.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
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. <b>- Major compliance -</b>	The management review was conducted accordingly. The 2 <sup>nd</sup> Management Review was conducted on 15/11/2018 which was chaired by Sustainability Chairman. All the committee members were involved during this Management Review. All the agenda were found adequate.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
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. <b>- Major compliance -</b>	The Continuous Improvement Plan for 2019 at Segaria Business Unit sighted as follow: 1. Installation of dust particular reduction system for boiler 2. Installation of one unit of sprinkler pump 3. Desludging anaerobic pond no 1 4. Recycle, Reused and Reduce programme	Complied

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		5. To construct new 1 block of labour quarter 6. To construct concrete main road in front of staff quarters	
<b>4.1.4.2</b>	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.  <b>- Major compliance -</b>	Currently, there was no new techniques or technology that implemented at Segaria Estate. However, the estate continue with its latest Continual Improvement Plan since 2017 for the implementation of following: 1. Cummins Genset 2. Sincos Post Hole Digger (Auger) 3. Water Reservoir/Tank	Complied
<b>4.1.4.3</b>	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.  <b>- Major compliance -</b>	The Continuous Improvement Plan for 2019 at Segaria Business Unit sighted as follow: 1. Installation of dust particular reduction system for boiler 2. Installation of one unit of sprinkler pump 3. Desludging anaerobic pond no 1 4. Recycle, Reused and Reduce programme 5. To construct new 1 block of labour quarter 6. To construct concrete main road in front of staff quarters	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	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.	Segaria Estate has 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.	Complied



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	- <b>Major compliance</b> -		
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>- <b>Major compliance</b> -</p>	<p>Segaria Estate holds copies of each of the management documents that are 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: <a href="http://www.bousteadplantations.com.my">www.bousteadplantations.com.my</a>. Others sustainability practices were also available in the website.</p>	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- <b>Major compliance</b> -</p>	<p>Boustead Emastulin Sdn Bhd has 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>- <b>Minor compliance</b> -</p>	<p>As per letter ref. <i>Perlantikan Sebagai Pegawai Perhubungan Bagi Sosial Impact Assessment 2019 &amp; 2020</i>; dated 9/1/2019; Segaria Estate appointed management officer are:</p> <ul style="list-style-type: none"> <li>- Name: Mr. Musliadil Bin Maggu; Post: Field Supervisor</li> <li>- Name: Ms. Maslina Binti Lading; Post: Office Clerk</li> </ul> <p>Segaria Estate management also delegated employees with dedicated responsibilities related to MSPO implementation as per sighted List of People Responsible for Various Aspect of MSPO.</p>	Complied

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4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.  - Major compliance -	Stakeholder list FY 2019 was available in Segaria Estate. The list has included contractors and suppliers, government authorities, school's representatives and etc.  Latest external stakeholder meeting conducted on 30/10/2018 involved relevant stakeholders such as government authorities, school's representatives, contractors, internal workers and etc. were briefed on all the RSPO principles and criteria.  Estate internal stakeholder meeting was conducted on 24/10/2018 attended by all staff and employees.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).  - Major compliance -	Segaria Palm Oil Mill 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 SJPOM and approved by RSPO Chairman which covering the implementation of all supply chain requirements.	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	Complied

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		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. <b>- Minor compliance -</b>	The procedure also specified the RSPO 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. Appointment made by the company group RSPO Chairman i.e. the Planting Advisor.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	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 # 54532; DO # A97341; Date: 27/11/2018; Nett Weight: 10.84 mt; Field: PJ10C/60; Vehicle # SS541E  ii) FFB Weighbridge Ticket # 75706; DO # A98359; Date: 23/12/2018; Nett Weight: 9.96 mt; Field: PM05A/35B; Vehicle # SS541E	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>The list of permit and license required for the operations of the estate were sighted. The sample of permit and license:</p> <p>Segaria Estate</p> <ol style="list-style-type: none"> <li>1. MPOB License: 50467702000 valid until 31/3/2019</li> <li>2. Ordinan Perlesenan Perdagangan: SPA/2016/1022 valid until 31/12/2019</li> <li>3. Permit Barang Kawalan Berjadual: S010436 for diesel (43,200 Ltr) and petrol (2,000Ltr), valid until 4/12/2019</li> <li>4. Lesen pemasangan persendirian: 2018/02259 valid until 13/9/2019</li> </ol>	Complied
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>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"> <li>1. Minimum Wages Order 2018</li> <li>2. Sabah Labour Ordinance 1950</li> <li>3. OSHA 1994</li> <li>4. FMA 1967</li> <li>5. Uniform Building By Law 1984</li> <li>6. Pesticide Act 1974</li> <li>7. Electrical Supply (Amendment) Act 2015</li> <li>8. Fire Services Act</li> <li>9. Environmental Quality Act</li> <li>10. Local Government Act</li> </ol>	Complied

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		11. Code of Practise For Safe Working In a Confined Space, 2010 Last evaluation was conducted on 7/1/19.	
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.  <b>- Major compliance -</b>	LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal:  <ol style="list-style-type: none"> <li>1. Minimum Wages Order 2018</li> <li>2. Sabah Labour Ordinance 1950</li> <li>3. OSHA 1994</li> <li>4. FMA 1967</li> <li>5. Uniform Building By Law 1984</li> <li>6. Pesticide Act 1974</li> <li>7. Electrical Supply (Amendment) Act 2015</li> <li>8. Fire Services Act</li> <li>9. Environmental Quality Act</li> <li>10. Local Government Act</li> <li>11. Code of Practise For Safe Working In a Confined Space, 2010</li> </ol> Last updated was done on 7/1/2019.	Complied
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.  <b>- Minor compliance -</b>	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 28/1/2019 regarding Minimum Wages Order 2018. The latest updated was done on 7/1/2019.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.  - <b>Major compliance</b> -	Segaria Estate hold 3 land title (under Boustead Emastulin Sdn Bhd: 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	Complied
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.  - <b>Major compliance</b> -	Segaria Estate hold 3 land title (under Boustead Emastulin Sdn Bhd: 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	Complied
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.  - <b>Major compliance</b> -	A legal boundary was clearly demarcated. Site visit to boundary at field 94K with Mount Pock Forest, found that the boundary stone (04° 29' 54.3" N, 118° 24' 03.5" E) was maintained and peg using wooden peg.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).  - <b>Minor compliance</b> -	There is no land dispute in the Segaria Certification Unit at the time of audit. The lands are country leased and provisional lease to Boustead Emastulin Sdn Bhd via verified with the land titles. The surrounding are owned by smallholders and other plantation's companies. There was no encroachment of land by the Segaria Certification Unit. Notwithstanding, in case necessary, compensation process will be according Fair Compensation Procedure (Procedure 6.4.1); Ref. # 1; issued date: 4/2/2015; version 01. The procedure has clearly stated the process of negotiation and compensation if any land disputes with Legal Department. If the negotiation process failed, legal proceedings will be the next action.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.  - <b>Major compliance</b> -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. The company has constructed trenches, wooden pegs and painted the palms to differentiate the land boundaries. No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Complied
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.  - <b>Minor compliance</b> -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. The company has constructed trenches, wooden pegs and painted the palms to differentiate the land boundaries.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	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
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	<p>Social impacts plans were based on the documented Social Impact Assessment Segaria Estate and Mill Semporna, Sabah Malaysia, November 2017; Size of Assessment: 3,071.6 ha (Main Division); 1,393.5 ha (Sipit Division); Date of Assessment: 27/9 – 1/10/2017; Date of Report: 30/11/2017 by Malaysia Environmental Consultant (MEC). The plan established as Management Plan on Social Impact Assessment for the Year 2018; Reviewed &amp; Updated on Apr. 2018 includes mitigation plan for following:</p> <ul style="list-style-type: none"> <li>- Many workers and their families hold expired passports and work permits (or dependent permits)</li> <li>- Many workers also do not possess work permits</li> <li>- Some workers including undocumented workers do not have the legal documents – no passports nor work permits</li> <li>- No consent letter from workers permitting the company to hold on to their passports</li> <li>- Company also does not have a letter from the agency to state that the passports or work permits are held by the agency or work permits are held by the agency or Malaysian Immigration for renewal purposes</li> </ul>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
		- No established system or master list to track expiry dates and to track the location of passports	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	The company has developed Whistleblowing Policy dated 11/1/2011 signed by Senior General Manager. The company has prepared a formal mechanism to handle all the complaints reported. A Complaint/ Suggestion Flowchart was available where it explained the procedure to lodge complaints.	Complied
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	Segaria Estate has implemented Request and Response form and Complaint/ Suggestion form to record any requests, complaints and grievances by the stakeholders. The estate management has taken action or planned action to rectify the complaints raised by the stakeholders. Record shown latest complaints dated 20/1/2019 as per Borang Cadangan/Aduan Segaria Estate was resolved on 21/1/2019.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	The complaint form was available at the office. Besides, suggestion box was available in the linesite and office area where the stakeholders are able to lodge complaint or suggestion at any time.	Complied
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	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

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4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.  - <b>Major compliance</b> -	The management has started to implement the complaint form since October 2017. The records of complaint were available from October 2017 up to date.	Complied
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities.  - <b>Minor compliance</b> -	Contributions to local development were demonstrated as per consultation with local communities. Based on stakeholder consultation, it was noted that local communities are always been prioritized in case of vacancy within mill and estate. Except for workers, all 100% of estate staff are local Semporna and/or nearby districts residents. Interviewed estate contractors revealed that they are local Semporna contractor and some from Kunak, Sabah.	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.  - <b>Major compliance</b> -	The OSH programme dated 4 Jan 2019 cover for OSH meeting, Training, WPI, HIRARC and others. Policy already been communicated with workers and staff during OSH meeting and morning briefing. OSH Manual refer to OSH/001/2015 dated 7 Dec 2015.  Interview with staff and workers revealed that all working SOPs being consistently implemented among all employees and monitored by the management through daily muster briefing, training and etc.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.4.2</b> The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> </ul>	<p>Policy already been communicated with workers and staff during OSH meeting and morning briefing. OSH Manual refer to OSH/001/2015 dated 7 Dec 2015.</p> <p>In Segaria Estate, OSH meeting conducted quarterly by management, the latest record is dated 12 December 2018 and previously meeting record is on 26 September 2018 and 27 June 2018.</p> <p>CHRA(HQ/11/ASS/00/298-2018/131) for estate dated 14 September 2018 by Dr Mohd Azizan Bin Abdul Aziz(HQ/11/ASS/00/298-2018/131) from DAB OH Sdn Bhd. During assessment 7 area work have been assess and verified their work and monitor the exposure to the chemical.</p> <p>Audiometric test done on 27 October 2018, 5 person have been attend to Audiometric test conduct by Dr Azizan from DAB OH Sdn Bhd. From the result found 4 hearing impairment form 5 participant (Workers ID:1211,1460,1504 &amp; 2230 ).</p> <p>The HIRARC already been reviewed on Dec 2018 by Zila Rahim. HIRARC cover from Harvesting activity (BEA/OSH/HIRARC/01) until River maintenance activity(BEA/OSH/HIRARC/24)</p> <p>In Segaria Estate, OSH meeting conducted quarterly by management, the latest record is dated 12 December 2018 and previously meeting record is on 26 September 2018 and 27 June 2018. Appointment letter dated 7 Jan 2019 for Pn Nurul Safika as OSH Committee available in Safety Committee File in Segaria Estate.</p> <p>First aid training have been conducted on 20 October 2018 by hospital assistant. The record and interview verified the implementation.</p>	<p>Major noncompliance</p>

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<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>Accident and emergency procedure was established to include emergency evacuation, fire situation, chemical spillage, accident at work place.</p> <p>JKKP 8 is available for Segaria estate, dated send on 23 Jan 2019, 4 cases is been report however found 4 other cases regarding to Hearing impairment is not been report for JKKP 7 and JKKP 8. No record of JKKP 6 for Segaria estate.</p> <p>Hence, a noncomformity has been raised on this matter.</p> <p>Records of incident and accident were available, using internal reporting system. Records on Lost Time Incident (LTI) metrics had been verified to be satisfactory. The latest LTI record for estate is 8 days.</p>		
<p><b>Criterion 4.4.5: Employment conditions</b></p>			
<p><b>4.4.5.1</b></p>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p>	<p>Boustead Plantations Berhad has developed Human Rights Policy dated 11/1/2016 signed by Senior General Manager. The company is 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</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	avoid complicity in human rights abuses. Latest communication of the policy was conducted in the meeting conducted on 25/4/2018 between Segaria Estate management and workers representatives. Subsequent meeting was conducted on 24/10/2018 as per Minit Mesyuarat Perundingan Internal Stakeholder Ladang Segaria – Staff, Persatuan, Wakil Pekerja for. Furthermore, the policy displayed on the notice board outside the office.	
<b>4.4.5.2</b>	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.  - <b>Major compliance</b> -	Boustead Plantations Berhad has 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 confirmed that no discrimination was occurred in the estate.	Complied
<b>4.4.5.3</b>	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.  - <b>Major compliance</b> -	Documentations of pay available in the form of Monthly Pay Slip and conditions as per Work Agreement Contract as per sample sighted as following:  - Employee # 1551; Employee Code Group: G (General/Field Worker) - Employee # 2563; Employee Code Group: P (Harvester) - Employee # 2487; Employee Code Group: G (General/Field Worker) - Employee # 2344; Employee Code Group: G (General/Field Worker) - Employee # 2485; Employee Code Group: G (General/Field Worker)  Conditions of pay documented in employee work agreements which is based on new Minimum Wages Order 2018 with pricing list for piece-	Complied

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		rate workers i.e. Boustead Estate Harvesting Rate for Checkroll Harvesters for Year 2019.	
<b>4.4.5.4</b>	<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><b>- Minor compliance -</b></p>	<p>The contractors have 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 for the month of November 2018 that have achieved Minimum Wage Order 2018 as below:</p> <ul style="list-style-type: none"> <li>i) Workers ID # P7351196A; Nationality: Filipina</li> <li>ii) Workers ID # AU176058; Nationality: Indonesia</li> <li>iii) Workers ID # EC2164829; Nationality: Filipina</li> <li>iv) Workers ID # EC4357545; Nationality: Filipina</li> </ul> <p>The contractors' workers also signed on the employment contract where basic salary, annual leave and public holiday entitlement, termination of service and etc was clearly outlined in the contract.</p>	Complied
<b>4.4.5.5</b>	<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><b>- Major compliance -</b></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.</p> <p>However, it was found that the records that provide an accurate account of all employees was not available for some foreign workers employed not according to special labour policy and procedures for a list of workers whom already employed (Senarai Pekerja Filipina - Passport Baru) not according to Foreign Labour Policy (Date Approved : 13/4/2016) and Foreign Workers Procedure (Issue 1; Date of issue:</p>	Major noncompliance

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		Jan 2016; Rev. # 1; Date Approved: 25/1/2016). Hence a nonconformity has been raised.	
<b>4.4.5.6</b>	<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><b>- Major compliance -</b></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.</p> <p>However, document for contract of employments was not available for some foreign workers whom were found being employed without having the work agreement as per following:</p> <ul style="list-style-type: none"> <li>- Worker name: Serlito G. Sumilhig; Sex: Male; Nationality: Philippine</li> <li>- Worker name: Rosemarie Caangay Estimo; Sex: Female; Nationality: Philippine</li> <li>- Worker name: Grace Fui Ling; Sex: Female; Nationality: Philippine</li> <li>- Worker name: Latang Bin Padang; Sex: Male; Nationality: Indonesia</li> <li>- Worker name: Nilorin A. Canoy; Sex: Male; Nationality: Philippine</li> <li>- Worker name: Jubaira Jimlani; Sex: Female; Nationality: Philippine</li> </ul> <p>Hence a nonconformity has been raised.</p>	Major noncompliance
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	The estate management has 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

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4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p><b>- Major compliance -</b></p>	<p>The working hour and break time has been clearly stated in the employment contract. Besides, the attendance record was available and able to trace through Field &amp; General Workers Daily Attendance Record and Oil Palm Harvester Reception Data sheet.</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>Documented payslip was distributed to individual workers on the day of payment. Wages and overtime were paid according to the "Field &amp; General Workers Daily Attendance and Oil Palm Harvester Reception Data". Total hours of overtime and daily attendance has recorded in the time sheet.</p> <p>Documentations of pay available in the form of Monthly Pay Slip and conditions as per Work Agreement Contract as per sample sighted as following:</p> <ul style="list-style-type: none"> <li>- Employee # 1551; Employee Code Group: G (General/Field Worker)</li> <li>- Employee # 2563; Employee Code Group: P (Harvester)</li> <li>- Employee # 2487; Employee Code Group: G (General/Field Worker)</li> <li>- Employee # 2344; Employee Code Group: G (General/Field Worker)</li> <li>- Employee # 2485; Employee Code Group: G (General/Field Worker)</li> </ul> <p>Conditions of pay documented in employee work agreements which is based on new Minimum Wages Order 2018 with pricing list for piece-rate workers i.e. Boustead Estate Harvesting Rate for Checkroll Harvesters for Year 2019.</p>	Complied



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<b>4.4.5.10</b>	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.  <b>- Minor compliance -</b>	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.	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.  <b>- Major compliance -</b>	<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> <p>Both mill and estate maintained 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.</p> <p>Drinking water monitoring log book was maintained by the mill. The latest monitoring was done on 6/7/2018. The report dated 10/8/2018 (20180712/11 and 20180712/12) was sighted. Other amenities including sundry shop and canteen available within estate compound for workers convenience.</p>	Complied
<b>4.4.5.12</b>	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.  <b>- Major compliance -</b>	Boustead Plantations Berhad has developed a Sexual Harassment Policy signed by Senior General Manager, En. Shoib Abdullah 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 has clearly stated the types of sexual harassment such as verbal, visual, psychology, physical and etc. Latest communication of the policy was conducted in the meeting conducted	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>on 25/4/2018 between Segaria Estate management and workers representatives. Subsequent meeting was conducted on 24/10/2018 as per <i>Minit Mesyuarat Perundingan Internal Stakeholder Ladang Segaria – Staff, Persatuan, Wakil Pekerja</i> for. Furthermore, the policy was publicly displayed at the notice board outside the office.</p>	
<p><b>4.4.5.13</b></p> <p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>Boustead Plantations Berhad has developed Freedom of Association Policy dated 11/11/2011 signed by Senior General Manager, En. Shoib Abdullah. The company is 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. Minutes of meeting documented as Minit Mesyuarat Perundingan Internal Stakeholder Ladang Segaria – Staff, Persatuan, Wakil Pekerja for the meeting conducted on 25/4/2018 between Segaria Estate management and workers representatives. Subsequent meeting was conducted on 24/10/2018.</p>	<p>Complied</p>
<p><b>4.4.5.14</b></p> <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></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</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		workers employed were above 18 years old. During site visit also confirmed that no child labour work in the Segaria Bussiness Unit.	
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.  - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipment's and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. The chemical handling training have been conduct on 10 April 2018.	Complied
<b>4.4.6.2</b>	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.  - Major compliance -	The training needs for Segaria Estates for the FY 2018 training program has been established. The details of the training needs include categories of job descriptions, sections, and employees group. Included in this program are subjects related to environment e.g. environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training, field activities, equipment handling, vehicles maintenance etc.	Complied
<b>4.4.6.3</b>	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.  - Minor compliance -	The training programme is available dated 4 Jan 2019 for year 2019.This training programme is included for Sprayer, Manures, driver, contractor and others	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.5.1:</b> Environmental Management Plan			
<b>4.5.1.1</b>	<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><b>- Major compliance -</b></p>	<p>Based on the <i>Polisi Alam Sekitar &amp; Biodeversiti</i> (Environmental &amp; 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"> <li>i) Wild Life Conservation           <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> </li> <li>ii) Waterways Quality and Health Monitoring           <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> </li> <li>iii) Agricultural Land Contamination</li> </ul>	<p>Complied</p>

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		<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 wood 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 &gt;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 and continuously until for year 2019 attended by all estate staff and employees.</p>	
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives;	On top of the above biodiversity management plan and objectives, the environmental management plan covered in the established action	Complied

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	<p>b) The aspects and impacts analysis of all operations.</p> <p><b>- Major compliance -</b></p>	<p>plan of significant environmental aspects identified and impacts evaluated as per documents sighted as following:</p> <ul style="list-style-type: none"> <li>- Environmental Aspect and Impact Identification 2017/2018; Serial # EAI/2017/001-1 to EAI/2017/013-4 dated 17/7/2017</li> <li>- Environmental Impact Evaluation Form Serial # EIE/2017/001-1 to EIE/2017/014-4 dated 17/7/2017</li> </ul> <p>In estate no changes and same as previous year because no new activity and already covered in aspect and impact.</p> <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 has been 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>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p>	<p>As specified in indicator 4.5.1.1 &amp; 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</p>	Complied

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	- <b>Major compliance</b> -	including Buku Laporan Ronda Main Division Sempadan Hutan. Record for patrolling dated 11/1/2019 reported by AP mentioned that no evidence of hunting activities sighted.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.  - <b>Minor compliance</b> -	Few environmental plan has been established including waste management action plan, continuous improvement environmental plan and etc. The following was sighted: - Segaria Waste Management Action Plan Year 2019 - Scheduled wastes management procedure; Issue # 1; Dated June 2017 - Continuous Improvement Environmental Plan 2018-2019 such as 3R Waste Management Practices Campaign	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.  - <b>Major compliance</b> -	The above programs were regularly communicated by estate management to all employees from time to time during routine workers assembly. The recent specific Triple rinsing training for 3R programme (Chemical handling training included) was conducted on 10/4/2018 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.  - <b>Major compliance</b> -	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
<b>Criterion 4.5.2:</b> 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	A plan for improving efficiency of the use of fossil fuels was established to include Mill and estate quarters, office, meeting room, weighbridge,	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p><b>- Major compliance -</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>- To minimize and limit electrical usage</li> <li>- Replace bulb with an energy saving bulb last 10 times longer with 75% less energy</li> <li>- Switch off or unplug any charges or appliances not in use</li> <li>- To put in hibernate of sleep mode for all pc not in use</li> </ul> <p>There was a plan established for improving efficiency of the use of fossil fuel. Sighted the estate diesel consumption 2018 – 2019 (as at January 2019). Diesel consumption/FFB produced: 1.30 l/mt (Jan – Dec 2018).</p>	
<p><b>4.5.2.2</b> The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p>	<p>The estate has estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.</p>	<p>Complied</p>
<p><b>4.5.2.3</b> The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>There is an application of EFB at estate visited.</p>	<p>Complied</p>



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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented.  <b>- Major compliance -</b>	All waste products and sources of pollution had been identified in Waste Management Action Plan Year 2018 for the estate. Based on the Waste Management Action Plan Year 2018 the following wastes and its sources were identified:  <ul style="list-style-type: none"> <li>- Domestic waste: Rubbish from linesite, office and etc.</li> <li>- Scheduled waste: SW305, SW306, SW 410 &amp; SW 102</li> <li>- Recyclable waste: Empty chemical container, empty fertilizer bag, palm fronds, etc.</li> </ul>	Complied
<b>4.5.3.2</b>	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:  a) Identifying and monitoring sources of waste and pollution  b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products  <b>- Major compliance -</b>	As above, all waste products and sources of pollution had been identified in Waste Management Action Plan Year 2018 for the estate. Site visit confirmed that the practice of reduce, reuse and recycle of materials has been 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 estate.	Complied
<b>4.5.3.3</b>	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.  <b>- Major compliance -</b>	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; In Segaria Estate, Inventory is available refer 2016022415R9S2KE12019 dated 28 Jan 2019. Generate SW 102,109,110,305,306,403,404,409 and 410. For disposal SW 404 is disposal at Quantum Diagnostics Sdn Bhd Latest disposal for SW 410	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		is on 16 Jan 2019 at Lagenda Bumimas Sdn Bhd. Refer consignment note B 003414.	
<b>4.5.3.4</b>	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>Segaria Estate conducted the Triple Rinsing of Empty Chemical Container Training (Latihan 3 Kali Pembilasan Bekas Racun dan Bahan Kimia) on 10/4/2018 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 have been triple rinsed and punctured. The containers were collected by G-Planter for recycle purposes.</p>	Complied
<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>	<p>The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes.</p>	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>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.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.  - <b>Major compliance</b> -	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
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:  a. Assessment of water usage and sources of supply.  b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.  c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).  d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.  e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.	Documented Water Management Plan Year 2019 inclusive of location; wastewaters produced; treatment/containment method; reuse/recycle/disposal method was sighted. The plan implemented as per following: <ul style="list-style-type: none"> <li>- Identification of water sources</li> <li>- Efficient use of water</li> <li>- Renewability of water sources</li> <li>- Riparian buffer zone</li> <li>- Areas where buffer zone not established</li> <li>- Water quality monitoring</li> <li>- Effluent analysis</li> <li>- Demarcation of wetlands areas</li> <li>- Soil and water conservation measures</li> <li>- No construction of bunds/weirs/dam across main rivers</li> </ul> Sampled implementation in place including the following monitoring were sighted: <ul style="list-style-type: none"> <li>- Yearly estate river inlet and outlet analysis; Analysis cert. no.: 20180712/13 and 20180714; dated: 10/8/2018 by Dynakey Laboratories Sdn Bhd</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <b>- Major compliance -</b>	Boustead 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 2018 recorded at 2321 mm.	
<b>4.5.5.2</b>	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. <b>- Minor compliance -</b>	Visit to estate field confirmed no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Complied
<b>4.5.5.3</b>	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). <b>- Minor compliance -</b>	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 2321 mm.	Complied
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<b>4.5.6.1</b>	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status ( <i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN))	Boustead Segaria Estate has been engaging an external HCV assessor (Malaysia Environmental Consultant – MEC) to conduct a comprehensive assessment which was done from 23-29/9/2017 to cover both planted area and relevant wider landscape-level considerations. However, the full report was yet to be issued by MEC. Thus, Major NC was raised.	Major noncompliance

Criterion / Indicator		Assessment Findings	Compliance
	<p>status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p><b>- Major compliance -</b></p>	<p>The preliminary report for the assessment done concurrently by internal assessors shown a total of 134.9 ha of HCV areas identified consist of following:</p> <ul style="list-style-type: none"> <li>- Hutan Simpan Mount Pock (HCV 1) – within block PM94B, PM98A, PM03A, PM07A, PJ10A &amp; PJ11A</li> <li>- Hot Spring (HCV 2) – nearby Estate Manager’s bungalow</li> <li>- Waterfall (HCV 2) – within block PM98A &amp; PM07A</li> <li>- Muslim &amp; Christian Cemeteries (HCV 5)</li> <li>- Planted forest tree (Jati &amp; Mahageni) area (HCV 4) – in Sipit Division &amp; nearby Waterfall area</li> </ul>	
<b>4.5.6.2</b>	<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><b>- Major compliance -</b></p>	<p>Based on the <i>Polisi Alam Sekitar &amp; Biodeversiti</i>; 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> <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>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<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 wood along identified water courses, wetland and biodiversity area</p> <p>iv) Preserve and beautify natural landscape and old building (to maintain the heritage value and ensure nice looking nature of environment)</p> <p>Target: To utilize fund to renovate and decorate HCV site at estate (Hot spring and waterfall)</p> <p>Action plan: Provide additional facilities, monitoring on illegal activity, erect few safety signage at strategic spot.</p>	
<b>4.5.6.3</b>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></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 29/1/2019 reported by</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>AP mentioned that at PJ10 block 22, no illegal hunting activities was sighted.</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 biodiversity and environmental policy briefing was conducted on 7/11/2018 attended by all estate staff and employees.</p> <p>It was verified that Raspond Sdn Bhd are the subcontractor of Bumi 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 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.</p> <p>The memorandum of agreement (Contract No: 2018-20) between Boustead Emastulin Sdn Bhd and Bumi Kemuja Sdn Bhd, dated 10/10/2018 was sighted for the access of road within segaria estate</p>	
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p><b>- Major compliance -</b></p>	<p>Group Policy on restricting open burning dated in 2011 has been 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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		from DOE and burning strictly not allowed during July – November or whenever a “No Open Burning” circular from local authorities. It was confirmed during site visit to estate field that no use of fire for land preparation during replanting activities.	
<b>4.5.7.2</b>	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. <b>- Major compliance -</b>	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
<b>4.5.7.3</b>	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. <b>- Major compliance -</b>	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
<b>4.5.7.4</b>	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. <b>- Minor compliance -</b>	Site visit to field PR18A confirmed that the previous crops were felled and chipped as per best practices.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			



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Criterion / Indicator		Assessment Findings	Compliance
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) and external transport.	Complied
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.  - Major compliance -	Boustead Plantations Bhd has established SOP related to planting on slope namely Soil Conservation/Water Management was sighted. All the strategy including soil conservation practices, type of vegetation, ground cover establishment were found implemented accordingly in the field.	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 PM94K, PM98B and PM04D.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.  - Major compliance -	Segaria Estate has 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 plant running schedule, upkeep and cultivation, harvesting, nursery, production cost etc. Budget 2019 and 4 years planning horizon (projections 2020- 2023) was verified during the audit.	Complied

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Criterion / Indicator		Assessment Findings	Compliance														
		<p>Segaria Estate has 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"> <li>1. Upgrading chemical store</li> <li>2. Construction of concrete based road</li> <li>3. Construction of 2 blocks labour quarters</li> <li>4. Construction of new mosque</li> <li>5. Replacement of GI pipeline</li> </ol>															
<b>4.6.2.2</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The revised replanting program was established which was updated on Nov 18. The replanting programme sighted as follow:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Year</th> <th>Ha</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>223.60</td> <td rowspan="5">Segaria Estate</td> </tr> <tr> <td>2020</td> <td>196.90</td> </tr> <tr> <td>2021</td> <td>122.60</td> </tr> <tr> <td>2022</td> <td>243.40</td> </tr> <tr> <td>2023</td> <td>319.70</td> </tr> </tbody> </table>	Year	Ha	Remark	2019	223.60	Segaria Estate	2020	196.90	2021	122.60	2022	243.40	2023	319.70	Complied
Year	Ha	Remark															
2019	223.60	Segaria Estate															
2020	196.90																
2021	122.60																
2022	243.40																
2023	319.70																
<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <ol style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production : cost per tonne of FFB</li> </ol>	<p>Segaria Estate has 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 2019 and 4 years planning horizon (projections 2020- 2023) was verified during the audit.</p>	Complied														

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Criterion / Indicator		Assessment Findings	Compliance
	d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <b>- Major compliance -</b>	Segaria Estate has made progress towards achieving their performance production targets for the current financial year.  <u>Segaria Estate</u> 1. Upgrading chemical store 2. Construction of concrete based road 3. Construction of 2 blocks labour quarters 4. Construction of new mosque 5. Replacement of GI pipeline	
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	Segaria Estate has regularly monitored, periodically reviewed and documented the budget versus actual through progress report. The management also has established costing book for every work activity at estate and conducted the monthly meeting with all staff and executive.	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	Sampled of contract agreement that signed by the contractors as below: a. Contract No.: 2018-01 for FFB transport from field to Segaria POM which valid from 1/1/2018 to 31/12/2018. b. Contract No.: 2019-03 for FFB transport from field to Segaria POM which valid from 1/1/2019 to 31/12/2019.	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	The manner of payment of remuneration shall paid by the company to contractor not later than the 15 <sup>th</sup> days each month upon settling the account for the preceding month. Sampled of payment vouchers for November and December 2017 found that the payments were made	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		on 9 <sup>th</sup> and 10 <sup>th</sup> of the respective month. Interview with the contractors confirmed that the payment was made promptly by Boustead Plantations Berhad.	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.  - <b>Major compliance</b> -	Sampled of the contract agreement found that a special clause on MSPO compliance where applicable to them was stated on the agreement.  c. Contract No.: 2018-01 for FFB transport from field to Segaria POM which valid from 1/1/2018 to 31/12/2018. d. Contract No.: 2019-03 for FFB transport from field to Segaria POM which valid from 1/1/2019 to 31/12/2019.	Complied
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor.  - <b>Major compliance</b> -	The contractors have signed on the contract agreement prior to provide services. Seen the contract agreement and details as refer to Criterion 4.6.3.1.	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.  - <b>Minor compliance</b> -	Boustead Plantations Berhad has agreed for BSI auditors to verify the assessment through a physical inspection if required.	Complied
<b>4.6.4.4</b>	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.  - <b>Major compliance</b> -	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.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<b>4.7 Principle 7: Development of new planting</b> 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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	The MSPO Policy was established where the policy was signed by Sr General Manager of Boustead Plantations Berhad on 1/11/2014.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	The policy was emphasize on the engagement and commitment to produce sustainable palm oil with the objective of improving the milling operation.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	Internal Audit was conducted once a year by Sustainability section, the internal audit was conducted on 13-16/11/2018 to cover the entire criterion stated in the standard. Internal audit was led by Mr Azrin Mazhidi Abdul Manab and assist by 3 auditors as team members. During the internal audit, there was 2 NCR and 2 OFIs were issued. All the findings were in progress of closure.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	Internal audit procedure dated July 2015 was established by the management to include audit frequency, audit schedule, audit	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	strengths and root causes of nonconformities, in order to implement the necessary corrective action. <b>- Major compliance -</b>	team, performing audit, audit responsibility and etc. Internal audit shall be carried out once a year.	
<b>4.1.2.3</b>	Reports shall be made available to the management for their review. <b>- Major compliance -</b>	All records related to Internal Audit was maintained and available at Mill for review.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. <b>- Major compliance -</b>	The management review was conducted accordingly. The 2 <sup>nd</sup> Management Review was conducted on 15/11/2018 which was chaired by Sustainability Chairman. All the committee members were involved during this Management Review. All the agenda were found adequate.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. <b>- Major compliance -</b>	The Continuous Improvement Plan for 2019 at Segaria Business Unit sighted as follow: <ol style="list-style-type: none"> <li>1. Installation of dust particular reduction system for boiler</li> <li>2. Installation of one unit of sprinkler pump</li> <li>3. Desludging anaerobic pond no 1</li> <li>4. Recycle, Reused and Reduce programme</li> <li>5. To construct new 1 block of labour quarter</li> <li>6. To construct concrete main road in front of staff quarters</li> </ol>	Complied

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><b>- Major compliance -</b></p>	<p>Currently, there was no new techniques or technology that implemented at Segaria Mill. However, the mill continue with its latest Continual Improvement Plan since 2017 for the implementation of following:</p> <ol style="list-style-type: none"> <li>1. Installation of EFB Hopper Roofing No. 1</li> <li>2. Concreting remaining soil portion at EFB dumping area</li> <li>3. New drainage from hydrocyclone to sludge pit</li> </ol>	Complied
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p><b>- Major compliance -</b></p>	<p>The Continuous Improvement Plan for 2019 at Segaria Business Unit sighted as follow:</p> <ol style="list-style-type: none"> <li>1. Installation of dust particular reduction system for boiler</li> <li>2. Installation of one unit of sprinkler pump</li> <li>3. Desludging anaerobic pond no 1</li> <li>4. Recycle, Reused and Reduce programme</li> <li>5. To construct new 1 block of labour quarter</li> <li>6. To construct concrete main road in front of staff quarters</li> </ol>	Complied
<b>4.2 Principle 2: Transparency</b>			
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><b>- Major compliance -</b></p>	<p>Segaria POM has 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



Criterion / Indicator		Assessment Findings	Compliance
<b>4.2.1.2</b>	<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><b>- Major compliance -</b></p>	<p>Segaria POM holds copies of each of the management documents that are 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: <a href="http://www.bousteadplantations.com.my">www.bousteadplantations.com.my</a>. Others sustainability practices were also available in the website.</p>	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p>	<p>Boustead Emastulin Sdn Bhd has 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
<b>4.2.2.2</b>	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p><b>- Minor compliance -</b></p>	<p>Staff of Segaria POM has been appointed as Social Officer to handle any social issues and appointment letter dated 1/6/2017 were sighted.</p>	Complied

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<b>4.2.2.3</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>Stakeholder list FY 2019 was available in Segaria Estate. The list has included contractors and suppliers, government authorities, school's representatives and etc.</p> <p>Latest external stakeholder meeting conducted on 30/10/2018 involved relevant stakeholders such as government authorities, school's representatives, contractors, internal workers and etc. were briefed on all the RSPO principles and criteria.</p> <p>Mill internal stakeholder meeting was conducted on 5/11/2018 attended by all staff and employees.</p>	Complied
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p><b>- Major compliance -</b></p>	<p>Segaria Palm Oil Mill 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 SJPOM and approved by RSPO Chairman which covering the implementation of all supply chain requirements.</p>	Complied
<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p><b>- Major compliance -</b></p>	<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 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</p>	Complied

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		including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly.	
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	The procedure also specified the RSPO 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. Appointment made by the company group RSPO Chairman i.e. the Planting Advisor.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	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:	Complied

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		<ol style="list-style-type: none"> <li>1. CPO Despatch ticket # 49325; Date: 29/6/2018; DO # CPO 306201801981; Tanker # SS3018/ST5311F; Nett weight: 26.36mt</li> <li>2. PK Despatch ticket # 50648; Date: 13/8/2018; DO # PK 306201802043; Tanker # SS6355M/SS530M; Nett weight: 32.00mt</li> </ol>	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>The list of permit and license required for the operations of the mill were sighted. The sample of permit and license:</p> <p>Segaria Mill</p> <ol style="list-style-type: none"> <li>1. MPOB License: 508110904000 valid until 31/5/2019</li> <li>2. DOE Licence: 003471 (valid until 30/6/2019) for 30 MT/hr and method of POME discharge is land irrigation with BOD final discharge limit &lt;50mg/l</li> <li>3. Suruhanjaya Tenaga: Lesen Pemasangan Persendirian-2018/00329, expiry 23/4/2019</li> <li>4. FMA permit: all machineries still valid (SB PMD 2100; 8/6/19, SB PMT 9322; 8/6/19, PMT 56918: 8/6/19, PMT106144: 8/6/19, SB PMT 7251: 8/6/19, SB PMT 6494: 8/6/19)</li> <li>5. Ordinan Perlesenan Perdagangan : SPA/2019/876, expiry on 31/12/19</li> </ol>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		6. Permit barang kawalan berjadual : KPDNKK.SPN.600-1/7/2016/32(P), Permit No: S010437, Diesel 26,000Ltr expiry on 4/12/2019 7. Lesen untuk menggaji pekerja bukan pemastautin: B-000002/09 expiry 24/10/19 8. CePPOME: CePPOME/184523 valid until 15/8/19 9. CEPSWAM: CePSWaM/183883 valid until 18/4/19 10. Steam Engineer Grade 2: 049/2016 11. Authorised Gas Tester: 950702-12-7049 12. H/ED/06/03 (Dandang Stim Grade 1): 701115-12-5324 13. SB/10/EIP/02/18 (ICE Grade 2): 790314-12-6247 14. PJ-T-4-B-0263-2007 (Engine Driver-A4):680114125461	
<b>4.3.1.2</b>	The management shall list all relevant laws related to their operations in a legal requirements register. <b>- Major compliance -</b>	LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal: <ol style="list-style-type: none"> <li>1. Minimum Wages Order 2018</li> <li>2. Sabah Labour Ordinance 1950</li> <li>3. OSHA 1994</li> <li>4. FMA 1967</li> <li>5. Uniform Building By Law 1984</li> <li>6. Pesticide Act 1974</li> <li>7. Electrical Supply (Amendment) Act 2015</li> <li>8. Fire Services Act</li> <li>9. Environmental Quality Act</li> <li>10. Local Government Act</li> <li>11. Code of Practise For Safe Working In a Confined Space, 2010</li> </ol>	Complied

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		Last evaluation was conducted on 7/1/19.	
<b>4.3.1.3</b>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>	<p>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"> <li>1. Minimum Wages Order 2018</li> <li>2. Sabah Labour Ordinance 1950</li> <li>3. OSHA 1994</li> <li>4. FMA 1967</li> <li>5. Uniform Building By Law 1984</li> <li>6. Pesticide Act 1974</li> <li>7. Electrical Supply (Amendment) Act 2015</li> <li>8. Fire Services Act</li> <li>9. Environmental Quality Act</li> <li>10. Local Government Act</li> <li>11. Code of Practise For Safe Working In a Confined Space, 2010</li> </ol> <p>Last updated was done on 7/1/2019.</p>	Complied
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></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 28/1/2019 regarding Minimum Wages Order 2018. The latest updated was done on 7/1/2019.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	Segaria Estate hold 3 land title (under Boustead Emastulin Sdn Bhd: 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	Complied
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	Segaria Estate hold 3 land title (under Boustead Emastulin Sdn Bhd: 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	Complied

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4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The boundary for Segaria POM was constructed using concrete fencing.	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). <b>- Minor compliance -</b>	There is no land dispute in the Segaria Certification Unit at the time of audit. The lands are country leased and provisional lease to Boustead Emastulin Sdn Bhd via verified with the land titles. The surrounding are owned by smallholders and other plantation’s companies. There was no encroachment of land by the Segaria Certification Unit. Notwithstanding, in case necessary, compensation process will be according Fair Compensation Procedure (Procedure 6.4.1); Ref. # 1; issued date: 4/2/2015; version 01. The procedure has clearly stated the process of negotiation and compensation if any land disputes with Legal Department. If the negotiation process failed, legal proceedings will be the next action.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
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. <b>- Major compliance -</b>	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. The company has 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



Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - <b>Minor compliance</b> -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. The company has 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 the relevant agreements should be made available. - <b>Major compliance</b> -	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
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	Social impacts plans were based on the documented Social Impact Assessment Segaria Estate and Mill Semporna, Sabah Malaysia, November 2017; Size of Assessment: 3,071.6 ha (Main Division); 1,393.5 ha (Sipit Division); Date of Assessment: 27/9 – 1/10/2017; Date of Report: 30/11/2017 by Malaysia Environmental Consultant (MEC). The plan established as Management Plan on Social Impact Assessment for the Year 2018; Reviewed & Updated on Apr. 2018 includes mitigation plan for following:  <ul style="list-style-type: none"> <li>- Many workers and their families hold expired passports and work permits (or dependent permits)</li> <li>- Many workers also do not possess work permits</li> <li>- Some workers including undocumented workers do not have the legal documents – no passports nor work permits</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- No consent letter from workers permitting the company to hold on to their passports</li> <li>- Company also does not have a letter from the agency to state that the passports or work permits are held by the agency or work permits are held by the agency or Malaysian Immigration for renewal purposes</li> <li>- No established system or master list to track expiry dates and to track the location of passports</li> </ul>	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>	<p>The company has developed Whistleblowing Policy dated 11/1/2011 signed by Senior General Manager. The company has 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 has issued a memo on the method to lodge complaint to all the workers.</p>	Complied
<b>4.4.2.2</b>	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p><b>- Major compliance -</b></p>	<p>Segaria POM has implemented Request and Response form and Complaint/ Suggestion form to record any requests, complaints and grievances by the stakeholders. The estate management has taken action or planned action to rectify the complaints raised by the stakeholders. Record shown latest complaints dated 28/12/2018 as per Borang Cadangan/Aduan Segaria POM was resolved on 4/1/2019.</p>	Complied
<b>4.4.2.3</b>	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p>	<p>The complaint form was available at the office. Besides, suggestion box was available in the linesite and office area</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Minor compliance</b> -	where the stakeholders are able to lodge complaint or suggestion at any time.	
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - <b>Minor compliance</b> -	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 solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - <b>Major compliance</b> -	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
<b>Criterion 4.4.3:</b> 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. - <b>Minor compliance</b> -	Contributions to local development were demonstrated as per consultation with local communities. Based on stakeholder consultation, it was noted that local communities are always been prioritized in case of vacancy within mill and estate. Almost 90% of mill employee are local Semporna and/or nearby districts residents. Interviewed mill contractors revealed that they are local Semporna contractor and some from Kunak, Sabah.	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			

Criterion / Indicator		Assessment Findings	Compliance
4.4.4.1	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The management have an occupational safety and health programme for year 2019 in Segaria Palm Oil Mill include OSH Meeting, workplace inspection, medical surveillance and training dated Jan 2019. Interview with staff and workers revealed that all working SOPs being consistently implemented among all employees and monitored by the management through daily muster briefing, training and etc.</p>	Complied
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997</li> </ul>	<p>SPOM and supply base have established Safety and Health Policy, dated 1/6/2012 signed by Managing Director. Training or briefing regarding to this policy have been done weekly basis to workers and staff.</p> <p>The OSH programme dated 4 Jan 2019 cover for OSH meeting, Training, WPI, HIRARC and others. Policy already been communicated with workers and staff during OSH meeting and morning briefing.</p> <p>OSH Manual refer to OSH/001/2015 dated 7 Dec 2015.</p> <p>In Mill , the LEV monitoring is been inspect by Haris Tupang Thomas(JKKP HIE 127/171-3/2(205)) from REHPRO SCIENTIFIC Sdn Bhd. For monthly check is done by lab supervisor latest is by Mohd Fazlee Hisyam dated 25 Jan 2019 and previously is on 29 December 2018. CHRA (RSSB/CHRA/2016-008) in mill is conducted on 17 May 2016 by Suzanna J Rice Oxley (HQ/11/ASS/00/290).</p> <p>In Mill, sampling on Palm Cost Engineering Sdn Bhd. This company is who is contract to build home for Mill. The safety training have been conducted on 18 Oct 2018 and HIRARC available dated 11 Oct 2018 for home construction and been</p>	Complied

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<p>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 shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such 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><b>- Major compliance -</b></p>	<p>review by management. Others monitoring have been done is Permit to work latest is 14 Jan 2019 by management to contractor. For PPE monitoring also been conduct by management to ensure followed as per agreement, the record refer to dated Nov 2018 done by Mohd Jendis date 25 Nov 2018</p> <p>In Segaria POM, OSH meeting is conducted on 10 December 2018. Previously meeting is done on 11 Sept 2018 and 16 July 2018. Audiometric test is been done on 21 November 2018 by Dr Azizan from DAB Oh Sdn Bhd , Total participant is 34 person found 8 cases of hearing impairment and all been report as JKPP 7 to DOSH. In Mill, JKPP 6 for previous year 2018 have 3 record JKPP 6 and 8 JKPP 7. The JKPP 8 (JKPP 8/31873/2018)already report on 21/1/2019.</p>		
<p><b>Criterion 4.4.5: Employment conditions</b></p>			
<p><b>4.4.5.1</b></p>	<p>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.</p>	<p>Boustead Plantations Berhad has developed Human Rights Policy dated 11/1/2016 signed by Senior General Manager. The company is committed to ensure every individual are treated with fairness, dignity and respect. The company will respect the</p>	<p>Complied</p>

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	- Major compliance -	rights of every individual. They also recognize their responsibilities to respect human rights and avoid complicity in human rights abuses.  Mill internal stakeholder meeting was conducted on 5/11/2018 attended by all staff and employees. Seen the meeting attendance list where all the workers from different stations were participated in the meeting, photo evident and training materials. Besides, the policy was publicly displayed at the notice board outside the office and linesite area.	
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 has 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 confirmed that no discrimination was occurred in the mill.	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.  - Major compliance -	There was employment contracts for staff and workers. Pay and conditions are documented and are above the Minimum Wage Order 2016. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. The daily rate for the workers was stated in the contract was in-line with Minimum Wage Order 2018. Sampled of the payslips confirmed that the workers were paid in accordance with Minimum Wage Order 2018. Sampled of payslips sighted as below:	Complied

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		<ul style="list-style-type: none"> <li>i. Employee ID # 0131G; Post: USB Collector (Process)</li> <li>ii. Employee ID # 0141J; Post: Press Operator (Process)</li> <li>iii. Employee ID # 0403E; Post: Fitter Apprentice (Workshop)</li> <li>iv. Employee ID # 0318B; Post: Fitter Sample Boy (Lab)</li> </ul>	
<b>4.4.5.4</b>	<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><b>- Minor compliance -</b></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
<b>4.4.5.5</b>	<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><b>- Major compliance -</b></p>	<p>All the recruited workers will be 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.</p>	Complied
<b>4.4.5.6</b>	<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><b>- Major compliance -</b></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 sighted as below:</p>	Complied

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		<ul style="list-style-type: none"> <li>i. Employee ID # 0131G; Post: USB Collector (Process); Date joined: 2/3/2017</li> <li>ii. Employee ID # 0141J; Post: Press Operator (Process); Date joined: 6/10/2011</li> <li>iii. Employee ID # 0403E; Post: Fitter Apprentice (Workshop); Date joined: 15/7/2006</li> <li>iv. Employee ID # 0318B; Post: Fitter Sample Boy (Lab); Date joined: 14/2/1998</li> </ul>	
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p><b>- Major compliance -</b></p>	<p>The mill has 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>	Complied
<b>4.4.5.8</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>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 has indicated in the employment contract that acknowledged by the workers. Interviewed with the workers found that they are agreed with the overtime offered by the management and paid according to legal requirements.</p>	Complied
<b>4.4.5.9</b>	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>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 has recorded in the time card. Sampled of payslips sighted as below:</p>	Complied



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		v. Employee ID # 0131G; Post: USB Collector (Process) vi. Employee ID # 0141J; Post: Press Operator (Process) vii. Employee ID # 0403E; Post: Fitter Apprentice (Workshop) viii. Employee ID # 0318B; Post: Fitter Sample Boy (Lab) Conditions of pay documented in employee work agreements which is based on new Minimum Wages Order 2018.	
<b>4.4.5.10</b>	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. <b>- Minor compliance -</b>	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.	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. <b>- Major compliance -</b>	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. Both mill and estate maintained 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.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Drinking water monitoring log book was maintained by the mill. The latest monitoring was done on 6/7/2018. The report dated 10/8/2018 (20180712/11 and 20180712/12) was sighted. Other amenities including sundry shop and canteen available within estate compound for workers convenience.	
<b>4.4.5.12</b>	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.  - <b>Major compliance</b> -	Boustead Plantations Berhad has developed a Sexual Harassment Policy signed by Senior General Manager, En. Shoib Abdullah 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 has clearly stated the types of sexual harassment such as verbal, visual, psychology, physical and etc. Latest communication of the policy was conducted in Segaria POM on 5/11/2018 by Chairman of Gender Committee to all workers to all the workers including female workers. Besides, the policy was publicly displayed at the notice board outside the office.	Complied
<b>4.4.5.13</b>	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.  - <b>Major compliance</b> -	Boustead Plantations Berhad has developed Freedom of Association Policy dated 11/11/2011 signed by Senior General Manager, En. Shoib Abdullah. The company is 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.  Workers' Community was established in Segaria POM. Organization Chart and appointment letters dated 26/10/2017	Complied

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		for the committees were available. Latest meeting was conducted on 5/11/2018. Meeting minutes was sighted and issues raised during the meeting was recorded.	
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.  - <b>Major compliance</b> -	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. During site visit also confirmed that no child labour work in the Segaria Bussiness Unit.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.  - <b>Major compliance</b> -	Training programme planned for year 2018/19 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to workers exposed to machinery and high noise levels and workers working in confined space and etc. Training record can refer indicator 4.4.6.3	Complied
<b>4.4.6.2</b>	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.  - <b>Major compliance</b> -	Training needs of individual employees has been 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.	Complied

Criterion / Indicator		Assessment Findings	Compliance																
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><b>- Minor compliance -</b></p>	<p>The records of training were available at mill and sample training checked:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training</th> </tr> </thead> <tbody> <tr> <td>24/8/2018</td> <td>First Aid Training</td> </tr> <tr> <td>27/9/2018</td> <td>Firedrill &amp; ERP training</td> </tr> <tr> <td>15-17/2/2018</td> <td>AESP Training</td> </tr> <tr> <td>14/2/2018</td> <td>AGT Training</td> </tr> <tr> <td>28/3/2018</td> <td>Working at height training</td> </tr> <tr> <td>20/11/2018</td> <td>Fire Fighting Training</td> </tr> <tr> <td>7/2/2018</td> <td>FFB grading training</td> </tr> </tbody> </table>	Date	Training	24/8/2018	First Aid Training	27/9/2018	Firedrill & ERP training	15-17/2/2018	AESP Training	14/2/2018	AGT Training	28/3/2018	Working at height training	20/11/2018	Fire Fighting Training	7/2/2018	FFB grading training	Complied
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<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>																			
<b>Criterion 4.5.1: Environmental Management Plan</b>																			
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><b>- Major compliance -</b></p>	<p>Based on the <i>Polisi Alam Sekitar &amp; Biodeversiti</i> (Environmental &amp; 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> <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</p>	Complied																

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	<p>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. 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 &gt;25o; continue constructing silt pits; conservation of</p>	

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		<p>Nephorolepis 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.</p> <p>Reporting for POME results and in line with mil’s compliance schedule requirements. New Guided Self-Regulation was introduced by DOE to ensure all operator self-assessed the compliance status on environmental related issues. The approach is based on 7 Environmental Monitoring Tools (EMT) and implemented since June 2016. New establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) EPMC meeting – 02/2018 25 Sept 2018. The latest environment meeting for management stage under title Minute of the Sabah &amp; Sarawak Mill Manager Meeting is on 14 – 15 Nov 2018 at BEA Sandakan Office.</p>	
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations</li> </ul> <p><b>- Major compliance -</b></p>	<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>	Complied

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		<p>Established based on the procedure for Environmental Aspect/Impact Evaluation; Issue 1; Dated Dec 2011 and documented as following:</p> <ul style="list-style-type: none"> <li>- Environmental Aspect and Impact Identification 2018/2019; Serial # EAI/2018/001-1 to EAI/2019/013-4 dated 3/1/2019</li> <li>- Environmental Impact Evaluation Form Serial # EIE/2018/001-1 to EIE/2019/014-4 dated 3/1/2019</li> </ul> <p>Sighted the aspect identified and impact evaluated covered all mill operational stations activities including operation of vertical sterilizer, maintenance of crude oil pumps, sludge pumps, waste pumps, effluent treatment plant and etc.</p>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Reporting for POME results and in line with mil's compliance schedule requirements. New Guided Self-Regulation was introduced by DOE to ensure all operator self-assessed the compliance status on environmental related issues. The approach is based on 7 Environmental Monitoring Tools (EMT) and implemented since June 2016. New establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) EPMC meeting – 02/2018 on 25 Sept 2018. The latest environment meeting for management stage under title Minute of the Sabah &amp; Sarawak Mill Manager Meeting is on 14 – 15 Nov 2018 at BEA Sandakan Office.</p> <p>However during site visit in Segaria POM, found decanter cake and boiler ash is not been store properly due to emergency from new machine installer. Hence, a nonconformity has been raised.</p>	Major noncompliance

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Based on the <i>Polisi Alam Sekitar &amp; Biodeversiti</i>, 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> <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 fertilizers; monitoring the use of oil and chemical trap constructed to avoid chemical flowing into water source</p>	Complied



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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 employees from time to time during routine workers assembly. The recent specific biodiversity and environmental policy briefing was conducted every week and attended by all estate staff and employees. Another training for environment is eswiss conducted on 8/3/2018.	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
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
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"> <li>- To minimize and limit electrical usage</li> <li>- Replace bulb with an energy saving bulb last 10 times longer with 75% less energy</li> <li>- Switch off or unplug any charges or appliances not in use</li> <li>- To put in hibernate of sleep mode for all pc not in use</li> </ul> There was a plan established for improving efficiency of the use of fossil fuel. Sighted the mill diesel consumption 2014 – 2018	Complied

Criterion / Indicator		Assessment Findings	Compliance
		(as at January 2019). Diesel consumption/FFB processed: 6.41 lt/mt (Jan – Dec 2018).	
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. <b>- Major compliance -</b>	The mill has 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. <b>- Minor compliance -</b>	The mill 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
<b>Criterion 4.5.3: Waste management and disposal</b>			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	All waste products and sources of pollution had been identified in Waste Management Action Plan Year 2018 for the mill. Based on the Waste Management Action Plan Year 2018 the following wastes and its sources were identified: <ul style="list-style-type: none"><li>- Domestic waste: Rubbish from linesite, office and etc.</li><li>- Industrial waste: POME, EFB, scrap metal, compost, reused empty container, used tyres &amp; tubes</li><li>- Scheduled waste: SW305, SW306, SW 410 &amp; SW 102</li></ul>	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: a) Identifying and monitoring sources of waste and pollution.	As above, all waste products and sources of pollution had been identified in Waste Management Action Plan Year 2017 for the mill. Site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented.	Complied

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	<p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p><b>- Major compliance -</b></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 mill.</p>	
<b>4.5.3.3</b>	<p>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</p> <p><b>- Major compliance -</b></p>	<p>Visit to mill shown the management and disposal plan has been implemented accordingly. Records sighted for SW i.e. Identification Inventory of Scheduled Wastes; Inventory last dated Jan 2019, In Mill generate SW 409,410,305,306,109,103 and 102. Last disposal is on SW 305, 102,410,109,306 at Lagenda Bumimas dated 16 Jan 2019. License for Lagenda Bumimas from DOE 003440 dated valid from 1 May 2018 until 30 April 2019.</p>	Complied
<b>4.5.3.4</b>	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>No pesticide been used in the mill. However, the Segaria Estate conducted the Triple Rinsing of Empty Chemical Container Training (Latihan 3 Kali Pembilasan Bekas Racun dan Bahan Kimia) on 10/4/2018 to all sprayers gang for both division based on the guideline for used plastic pesticide container recycling program (UPPCR). </p>	Complied
<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory.</p> <p>Proper storage areas were identified for the storage of the recyclable wastes.</p>	Complied

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<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>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 &amp; diesel as the main GHG pollutants.</p> <p>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/Nm<sup>3</sup>, dry @ 12 % CO<sub>2</sub> vs regulatory limit of 0.4 g/Nm<sup>3</sup>, dry @ 12 % CO<sub>2</sub>.</p>	<p>Complied</p>
<b>4.5.4.2</b>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Significant pollutants identified are 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 (2018) year i.e. Palm GHG Report – Segaria Business Unit recorded an overall total GHG emission of 0.94 tCO<sub>2</sub>e/mt of both CPO and PK products. Summary of emissions are recorded in Appendix K below.</p>	<p>Complied</p>
<b>4.5.4.3</b>	<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>Monitoring of POME discharge conducted on monthly basis through sample analysis by external lab. Sighted sample Certificate of Analysis; Cert. # 20180712/14; Sample date: 6 July 2018; Sample mark: A. Upstream; B. Downstream; C. Final discharge (POME). Analysis done by Dynakey Laboratories</p>	<p>Complied</p>

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	- Major compliance -	shown all results found within the limits of Raw Water Quality Standard.	
<b>Criterion 4.5.5:</b> Natural water resources			
<b>4.5.5.1</b>	<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> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>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.).</li> </ul> <p>- Major compliance -</p>	<p>Documented Water Management Plan Year 2019 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"> <li>- Identification of water sources</li> <li>- Efficient use of water</li> <li>- Renewability of water sources</li> <li>- Riparian buffer zone</li> <li>- Areas where buffer zone not established</li> <li>- Water quality monitoring</li> <li>- Effluent analysis</li> <li>- Demarcation of wetlands areas</li> <li>- Soil and water conservation measures</li> <li>- No construction of bunds/weirs/dam across main rivers</li> </ul> <p>Sampled implementation in place including the following monitoring were sighted:</p> <ul style="list-style-type: none"> <li>- Yearly estate river inlet and outlet analysis; Analysis cert. no.: 20180712/13 and 20180714; dated: 10/8/2018 by Dynakey Laboratories Sdn Bhd</li> </ul> <p>Boustead 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</p>	Complied

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		<p>alternative source of water as mitigation plan during draught season.</p> <p>Rainfall data for period from 2018 recorded at 2321 mm.</p>	
<b>4.5.5.2</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>POME treatment was done through anaerobic ponds system and monitoring was done according to DOE license on monthly basis as per sample Certificate of Analysis; Cert. # 20181206/11A-11C; Sample date: 3/12/2018; Report date: 13/12/2018. The result shown BOD was within limit of &lt;50mg/l.</p>	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>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 and water treatment plant.</p> <p>Work Instructions were derived from SOPs and it were displayed at work stations at the mill and at certain locations at the estates, such as the Muster Notice Boards. Eg: WI Boiler Station, WI Sterilizer Station, WI Oil Room, WI Press Station and etc.</p>	Complied

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4.6.1.2	All palm oil mills shall implement best practices.. <b>- Major compliance -</b>	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 internal audit was conducted on 13-16/11/2018 to cover the entire criterion stated in the standard and SOP.  Visiting Engineering Visit for Segaria POM was conducted on 28-30/8/2019 by Deputy Group Engineer, Group Engineering Department. The report (09/2018) was sighted.	Major nonconformance
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	SPOM has established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme. Budget 2019 and 4 years planning horizon (projections 2020- 2023) was verified during the audit.  Segaria POM and supply base have made progress towards achieving their performance production targets for the current financial year.  Segaria POM - New unit of despatch pump - New unit of recycle pump for CPO despatch - New unit of sprinkler pump - New unit of 7.5kw Submersible pump - New unit of boiler tube cleaner	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			

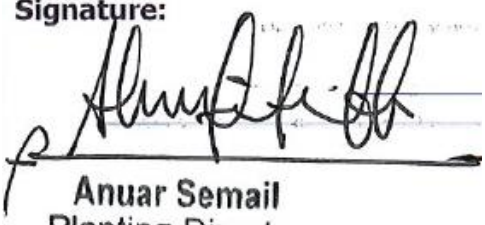

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.3.1</b>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p><b>- Major compliance -</b></p>	<p>The mill used to purchase and process externally source FFB but has stopped purchase of smallholder crops since 4th November 2017 and only received crops from own supply bases. However pricing mechanisms for other products and services were documented and effectively implemented as per following sample:</p> <ul style="list-style-type: none"> <li>- Agreement for Supply and Construction of One (1) Block Semi-Detached Junior Staff Quarters and One (1) Block of Four (4) Units Workers Quarters c/w Electrical, Piping and Compound Drainage Works for Segaria Palm Oil Mill, Semporna, Sabah, between Boustead Emastulin Sdn. Bhd. and Palm Coast Engineering Sdn. Bhd.</li> </ul>	Complied
<b>4.6.3.2</b>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p><b>- Major compliance -</b></p>	<p>Contract was found fair, legal and transparent between both the company and the contractor, as well as purchase orders made for vendors. Payments were made in timely manner as per following sample:</p> <ul style="list-style-type: none"> <li>- PO # SM 21254; Date: 3/11/2018; Vendor: Yu Chuin Bearing (S) Sdn. Bhd.; Payment voucher # SPOM 36/1218; Date: 20/12/2018</li> <li>- PO # SM 21250; Date: 2/11/2018; Vendor: Perkhidmatan Industri &amp; Pembangunan; Payment voucher # SPOM 29/1218; Date: 20/12/2018</li> <li>- PO # SM 21181; Date: 2/11/2018; Vendor: Apex Uniparts Sdn. Bhd.; Payment voucher # SPOM 21/1018; Date: 22/10/2018</li> </ul>	Complied
<b>Criterion 4.6.4:</b> Contractor			



Criterion / Indicator		Assessment Findings	Compliance
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><b>- Major compliance -</b></p>	<p>Sampled of the contract agreement found that a special clause on MSPO compliance where applicable to them was stated on the agreement as per sample:</p> <ul style="list-style-type: none"> <li>- Agreement for Supply and Construction of One (1) Block Semi-Detached Junior Staff Quarters and One (1) Block of Four (4) Units Workers Quarters c/w Electrical, Piping and Compound Drainage Works for Segaria Palm Oil Mill, Semporna, Sabah, between Boustead Emastulin Sdn. Bhd. and Palm Coast Engineering Sdn. Bhd.</li> </ul> <p>However, the required documentation and information to contractor to ensure understanding of MSPO requirements need to be observed. An OFI has been raised on this matter.</p>	OFI
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p>	<p>The contractors have 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><b>- Minor compliance -</b></p>	<p>Boustead Plantations Berhad has agreed for BSI auditors to verify the assessment through a physical inspection if required.</p>	Complied

**4.0 Assessment Conclusion and Recommendation:**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment Boustead Plantations Berhad Segaria POM and Estates Certification Unit complies with the MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholder and MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills. It is recommended that the certification of Boustead Plantations Berhad Segaria POM and Estates Certification Unit is approved.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Mr. Anuar bin Semail	<b>Name:</b> Mr. Hafriazhar bin Mohd. Mokhtar
<b>Company name:</b> Boustead Plantations Berhad	<b>Company name:</b> BSI Services Malaysia Sdn. Bhd.
<b>Title:</b> Planting Director	<b>Title:</b> Lead Auditor
<b>Signature:</b>  Anuar Semail Planting Director <b>Date: 4/9/2019</b>	<b>Signature:</b>  <b>Date: 23/5/2019</b>

BOUSTEAD ESTATES AGENCY SDN BHD  
 Planting Advisor Department  
 19th Floor, Menara Boustead  
 69 Jalan Raja Chulan  
 50200 Kuala Lumpur  
 Tel: 2145 2121 Fax: 2141 0693

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

**Appendix A: Assessment Plan**

Date	Time	Subjects	HMM	MHM	MNM
Monday, 28/01/19	14.35 - 17.25	Audit Team travelling to Tawau Check in hotel at Tawau	✓	✓	✓
Monday, 29/01/19	07.30 - 09.00	Audit team travel from Tawau to Segaria POM	✓	✓	✓
	09.00	Opening Meeting: - Confirmation of assessment scope and finalize - Audit plan (RSPO & MSPO) - Presentation by Segaria CU			
Thursday 31/01/19 <b>(MSPO)</b>	08.30 - 12.00	<b>Segaria Palm Oil Mill:</b> 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 - 13.00	LUNCH	✓	✓	✓
	13.00 - 16.30	<b>Segaria Estate:</b> 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 - 05.30	Interim Closing Briefing	✓	✓	✓
Friday 01/02/19 <b>(MSPO)</b>	08.30 - 10.00	<b>Segaria Estate:</b> Continue with unfinished elements	✓	✓	✓
	10.00	Verify any outstanding issues & Preparation for closing meeting	✓	✓	✓
	11.00 - 12.00	Closing meeting (MSPO)	✓	✓	✓
Saturday 02/02/19	11.05 - 01.40	Audit team travel back to KL	✓	✓	✓

**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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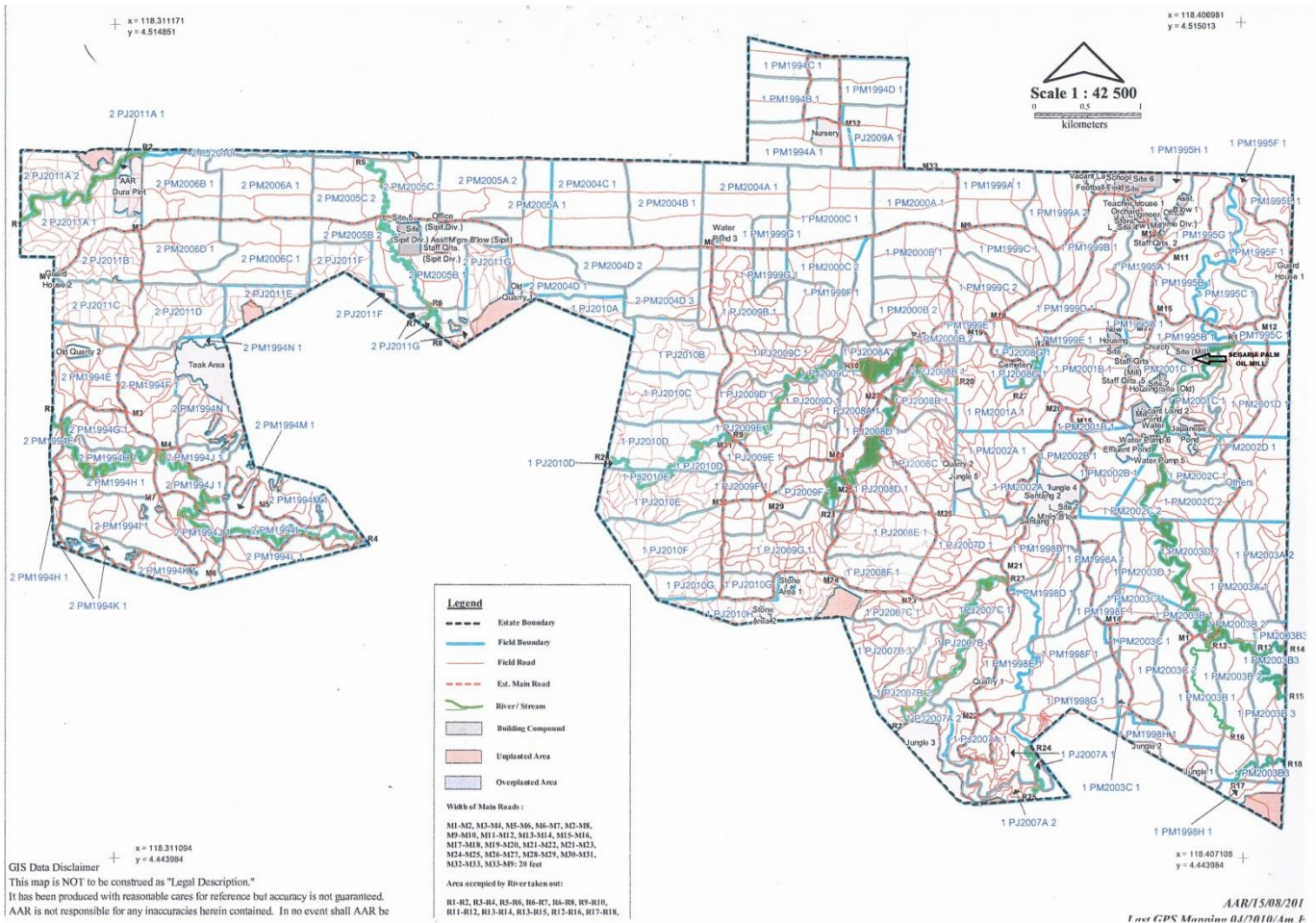
**External Stakeholders**

<b>Government Departments</b>	<b>NGOs and others</b>	<b>Local Communities</b>
Representative from CLC	(No issue raised by NGO related to Segaria BU)	Local contractors Ladang Ringlet

**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				
<b>TOTAL</b>				

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



**Appendix E: List of Abbreviations Used**

AN	Ammoniacal Nitrogen
ANPN	National Park Agency Gabon
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DGEPN	Environmental Protection Agency Gabon
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
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
SE	Segaria Estate
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SPOM	Segaria Palm Oil Mill
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids