

MALAYSIAN SUSTAINABLE PALM OIL - INITIAL ASSESSMENT Public Summary Report

BOUSTEAD PLANTATIONS BERHAD

Head Office:

19th Floor Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia

Certification Unit:

Eldred Estate and Bekoh Estate

Location of Certification Unit: Bekoh Estate, K/B No 505, 84900 Tangkak, Johor Eldred Estate, K/B no 102,86500 Bekok, Johor

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

Report Number: 9674425

Assessment Conducted by:

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Section 1: Executive Summary

1.1 Organizational Info	1.1 Organizational Information and Contact Person					
MPOB License	Eldred Estate: 504635402000					
	Bekoh Estate: 61604900200					
Company Name	Boustead Plantations Berhad					
Address	Head Office: 19th Floor Menara Boust	ead, 69, Jal	an Raja Chulan, 50200 Kuala			
	Lumpur, Malaysia					
	Certification unit: Bekoh Estate, K/B	No 505, 84	1900 Tangkak, Johor and Eldred			
	Estate, K/B no 102,86500 Bekok, Joh	or				
Group name if applicable:	N/A					
Subsidiary of (if applicable)	N/A					
Contact Person Name	Anuar Bin Semail / Nurul Hanani Binti Abdullah					
Website	www.bousteadplantations.com.my E-mail anuar.bea@boustead.com.my					
	hanani.bea@boustead.com.r					
Telephone	+603-2145 2121	Facsimile	+603-2144 7917			

1.2 Certification	Information				
Certificate Number	Estate: MSPO 6975	79			
Issue Date	18/04/2019		Expiry date	17/04/2024	
Scope of Certification	Estate: Production of	of Sustainable (Oil Palm Fruits		
Stage 1 Date		28-29/08/201	18		
Stage 2 / Initial Asses	ssment Visit Date (IAV)	23-24/11/201	18		
Continuous Assessme	ent Visit Date (CAV) 1	N/A			
Continuous Assessme	ent Visit Date (CAV) 2	N/A			
Continuous Assessme	ent Visit Date (CAV) 3	N/A			
Continuous Assessme	ent Visit Date (CAV) 4	N/A			
Other Certification	ons				
Certificate	Standard((s)	Certificate	e Issued by	Expiry Date
Number		-			
N/A					



1.3 Location of Certification Unit								
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference o Longitude	of the site office Latitude					
Eldred Estate	K/B No 102,86500 Bekok, Johor	103° 06′ 54.7″ E	2° 16′ 40.8″ N					
Bekoh Estate	K/B No 505, 84900 Tangkak, Johor	102° 32′ 17.2″ E	2° 21′ 27.4″ N					

1.4 Plantings & Cycle							
Estato			Age (Years) - I	па			
Estate	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Eldred Estate	437.10	498.10	85.80	772.50	-		
Bekoh Estate	194.80	357.50	396.30	239.80	-		
Total	631.90	855.60	482.10	1012.30	-		

1.5 FFB Production (Actual) and Projected (tonnage)						
Producer Group Estimated Actual Forecast (Jan 19 – Dec						
Eldred Estate	N/A	N/A	25,000			
Bekoh Estate			21,357			
TOTAL			46,357			

1.6 Certified CPO / PK Tonnage						
Mill	Estimated	Actual	Forecast			
	CPO (OER: %)	CPO (OER: %)	CPO (OER: %)			
NI/A	N/A	N/A				
N/A	PK (KER: %)	PK (KER: %)	PK (KER: %)			



1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Eldred Estate	1793.50	1	33.80	1,827.30	98.15
Bekoh Estate	1188.40	ı	37.70	1,226.10	96.93
TOTAL	2981.90	-	71.50	3,053.40	97.66

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of Bekoh Estate and Eldred Estate, located in Tangkak and Bekok, Johor (Bekoh Estate, K/B No 505, 84900 Tangkak, Johor and Eldred Estate, K/B No 102, 86500 Bekok, Johor) 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 and MSPO Guidance.

The onsite assessment was conducted on 23-24/11/2018.

Based on the assessment result, Eldred Estate and Bekoh Estate complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, and MSPO Guidance and recommended for 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
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 23-24/11/2018. The audit programme is included as Appendix A. The approach to the audit was to treat the Eldred Estate and Bekoh Estate as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities. Prior to audit conducted, public consultation was made accordingly; refer https://www.bsigroup.com/en-MY/RSPO-MSPO-Certification/MSPO-clients-and-reports1/.

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

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

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

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

The assessment findings for the initial assessment are detailed in Section 4.2.

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

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

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

1. Assessment Program						
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)	
Eldred Estate	√	\checkmark	√	√	√	
Bekoh Estate	√	√	√	√	√	
Stakeholder Consultation	√					

Tentative Date of Next Visit: November 10, 2019 - November 11, 2019

Total No. of Mandays: 4 mandays



BSI Assessment Team:

Mohd Hafiz Mat Hussain - Lead Auditor

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 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 land and legal issues, workers welfare, stakeholder consultation, social, long-term economic viability environment and ecological, etc. He is fluent in Bahasa Malaysia and English languages.

Hu Ning Shing – Team Member

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

Accompanying Persons: Nil



Section 3: Assessment Findings

3.1 Details of audit results

This assessment has be 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 Certification Assessment there were seven (7) major, two (2) minor nonconformities and four (4) opportunity for improvement raised. The Eldred Estate and Bekoh 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 it effectiveness and closed accordingly.

Major Nonconformities:					
Ref	Area/Process	Clause			
1711673-201811-M1	Plantations (Bekoh Estate and Eldred Estate)	4.4.4.2			
The occupational safety and health plan shall cover the following e) The management shall establish Standard Operating Procedure for handling chemicals to ensure proper and safe handling and storage in accordance Occupational Safety Health (Classification Packaging and Labeling) Regulation 19 and Occupational Safety Health (Use and Standard of Exposure of Chemi Hazardous to Health) Regulation 200 h) Accident and emergency procedures shall exist and instructions shall be clear understood by all employees.					
Statement of Nonconformity:					
Objective Evidence:	Bekoh Estate 1. Found a pesticide container at workshop area left without proper storage. 2. No test of emergency response (fire drill) was conducted.				
Corrections:	 Collected all container that has been sighted at workshop and relocated properly at schedule waste store. Letter dated 28 Nov 2018 has been send to BOMBA for cooperation in conducting fire drill at estate on 13 Dec 2018. 				
Root cause analysis:	No monitoring the movement of the empty conta	ainer and firefighting training			



Corrective Actions:	1. Appoint person in-charge to monitor the movement of the empty containers
	2. Include firefighting in the training programme.
Assessment Conclusion:	1. Sighted the picture of scheduled waste store with proper labelling.
	2. The letter dated 26/11/2018 for BOMBA to conduct the fire drill was sighted.
	3. The training programme for 2019 to include fire fighting training was sighted.
	4. Appointment letter dated 1/12/2018 from Estate Manager to monitor the scheduled waste was sighted.
	All the evidence sighted found adequate and effectively implemented. Hence, the Major NC was closed.



Major Nonconformities:					
Ref	Area/Process	Clause			
1711673-201811-M2	Plantations (Bekoh Estate and Eldred Estate)	4.5.3.3			
Requirements:	The management shall establish Standard Opera chemicals that are classified under Environment Waste) 2005, Environmental Quality Act, 19 handling, storage and disposal.	nt Quality Regulations (Scheduled 974 to ensure proper and safe			
Statement of Nonconformity:	The handling of scheduled waste was not effect	ively implemented			
Objective Evidence:	Bekoh Estate 1. The records of scheduled waste was not prop 2. Scheduled waste store not accordance with E (Scheduled Waste) 2005. 3. The labelling of scheduled waste was not accordance with E Regulations (Scheduled Waste) 2005	nvironment Quality Regulations			
Corrections:	1. Record the schedule waste properly base on a environment Quality Regulation (schedule waste Act 1974.	·			
	2. Schedule waste store that have been provided now is temporary but will be prepared properly accordance with Environmental Quality Regulation (Schedule waste) 2005 and new and proper Schedule waste store will be built in 2019 its already budgeted 2019 financial budget.				
	3. Relabeling work will be done at schedule wast at the Environment Quality Regulation(schedule				
Root cause analysis:	No monitoring by the estate				
Corrective Actions:	To appoint person incharge to monitor schedule	d waste.			
Assessment Conclusion:	 Sighted the picture of scheduled waste store Appointment letter dated 1/12/2018 from Esscheduled waste was sighted. Budget was allocated to construct new sche The inventory was sighted as per EQA (SW) All the evidence sighted found adequate and eff Major NC was closed. 	state Manager to monitor the duled waste store. Regulation 2005.			



Major Nonconformities:		
Ref	Area/Process	Clause
1711673-201811-M3	Plantations (Bekoh Estate and Eldred Estate)	4.5.6.1
Requirements:	Information shall be collated that includes both wider landscape-level considerations (such as with should a) Identification of high biodiversity value habit ecosystems, that could be significantly affect b) Conservation status (e.g. The International University Natural Resources (IUCN) status on legal protect requirements of rare, threatened, or endain significantly affected by the grower(s) activities.	vildlife corridors). This information cover: tats, such as rare and threatened ted by the grower(s) activities. nion on Conservation of Nature and tion, population status and habitat ngered species), that could be
Statement of Nonconformity:	The information for high biodiversity value habitats and conservation status was not available.	
Objective Evidence:	Bekoh Estate and The HCV assessment was done by the Malaysi 6/4/2018, however the report yet to be received	
Corrections:	The Management continue to liase with BEA Sustainability Team Regarding This Matter	
Root cause analysis:	The report is still yet to received by BEA Sustainability Team	
Corrective Actions:	Any issue in the report will be attended once the report is release.	
Assessment Conclusion:	The communication between the estate and sustainability section was sighted. All the evidence sighted found adequate and effectively implemented. Hence, the Major NC was closed.	



Major Nonconformities:			
Ref	Area/Process Clause		
1711673-201811-M4	Plantations (Bekoh Estate and Eldred Estate)	4.4.2.5	
Requirements:	Complaints and resolutions for the last 24 mont available to affected stakeholders upon request.	I	
Statement of Nonconformity:	Implementation of complaint system was ineffect	ctive.	
Objective Evidence:	Bekoh Estate and Eldred Estate: Defects Complaint Form and Complaint Form was implemented in the Bekoh Estate and Eldred Estate. However, the complaints that have been resolved could not be verified as there was no date and evidence of resolved and no acknowledgement by the complainant after action has been taken.		
Corrections:	Eldred: There must be a space and column for the complete Bekoh Estate: Update complain form by adding the side for evacknowledgement by the complainant for the acceptance.	idence of resolve and	
Root cause analysis:	There is no evidence of the complaint have been resolved.		
Corrective Actions:	Eldred Estate: In future all the complaints will be attended properly and acknowledge by the complainant using latest complaint form. Bekoh Estate:		
	Update and used the latest complain form	and was established from books and	
Assessment Conclusion:	The latest complaint form that have been resolv All the evidence sighted found adequate and eff Major NC was closed.		



Major Nonconformities:		
Ref	Area/Process	Clause
1711673-201811-M5	Plantations (Bekoh Estate and Eldred Estate)	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:	Records provided an accurate account for the c were not available.	ontractor workers in Bekoh Estate
Objective Evidence:	Bekoh Estate: Records provided an accurate account for the contractor workers in Bekoh Estate were not available.	
Corrections:	The management will instruct the contractors to provide muster file for every individual workers belongs to them. The muster file will be more or less identical with direct employee that been kept by estate.	
Root cause analysis:	No monitoring for contractor workers	
Corrective Actions:	 Monitoring on contractors for fully cooperation in issue solvent. Appoint person incharge to monitor the contactor workers 	
Assessment Conclusion:	Sighted the memo (meeting) with the contractor estate manager.	rs and the appointment letter by
	All the evidence sighted found adequate and effermation NC was closed.	ectively implemented. Hence, the



Major Nonconformities:		
Ref	Area/Process	Clause
1711673-201811-M6	Plantations (Bekoh Estate and Eldred Estate)	4.4.5.9
Requirements:	Wages and overtime payment documented on legal regulations and collective agreements.	the pay slips shall be in line with
Statement of Nonconformity:	The management did not comply with the MAP the deduction of subscription fee and insurance	
Objective Evidence:	Eldred Estate: The workers in Eldred Estate who are member of 11 for the subscription fees all the while. In fact, Circular No. 22/2015 dated 4/8/2015, the emplog 3.00 per month for each of the members of NUP NUPW/AIA Personal Accident Group Scheme. Sa below: a. Employee No.: 0002 b. Employee No.: 0032 c. Employee No.: 0043 d. Employee No.: 0092 e. Employee No.: 0073	according to MAPA/NUPW yer required to fully subsidize RM W as premium towards
Corrections:	The balances RM3.00 need to be return back to management have decided to reimburse RM3.00 The reimbursement have been pay on 6/12/2018	to all NUPW checkroll members.
Root cause analysis:	No person in-charge monitor the circular from M	APA/NUPW.
Corrective Actions:	Appoint person in-charge to monitor the payslip	
Assessment Conclusion:	 The evidence of reimbursement for sampled The appointment letter dated 1/1/2019 for p MAPA/NUPW was sighted. All the evidence sighted found adequate and effective major NC was closed. 	person incharge that monitor on



Major Nonconformities:		
Ref	Area/Process	Clause
1711673-201811-M7	Plantations (Bekoh Estate and Eldred Estate)	4.5.3.4
Requirements:	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.	
Statement of Nonconformity:	The disposal of empty pesticide container was not fully implemented.	
Objective Evidence:	Bekoh Estate There were 2 empty pesticides containers found	in the landfill area (PM99A)
Corrections:	Collect the empty containers in the land fill and close existing landfill. Made a new land fill where garbage will be separate between organic and inorganic. The estate will provide two type of garbage bin for every workers quarters to ensure that all garbage littered correctly.	
Root cause analysis:	No monitoring by the management	
Corrective Actions:	Appoint person incharge to monitor the empty of	ontainer
Assessment Conclusion:	 The empty containers were collected and sto Sighted the appointment letter from the Esta Sighted the picture of landfill that was closed All the evidence sighted found adequate and efformation NC was closed. 	ate Manager. d.



Minor Nonconformities:		
Ref	Area/Process	Clause
1711673-201811-N1	Plantations (Bekoh Estate and Eldred Estate)	4.4.1.1
Requirements:	Social impact should be identified and plans negative impacts and promote the positive ones	
Statement of Nonconformity:	Social Impact Assessment report was not available and Eldred Estate.	ole during the audit in Bekoh Estate
Objective Evidence:	Bekoh Estate and Eldred Estate: Social Impact Assessment was carried out on 2-10/4/2018 by MEC Consultant that involved the participation of relevant stakeholders. Preliminary of SIA findings was sighted. However, the official assessment report has yet to be obtained in Eldred Estate and Bekoh Estate. Therefore, the action plan to mitigate the negative impacts and promote the positive impacts was not sighted.	
Corrections:	The Management continue to liase with BEA Sus matter	stainability Team regarding this
Root cause analysis:	The report is yet to received from sustainability	team.
Corrective Actions:	Any issue in the report will be attended once the	e report is release.
Assessment Conclusion:	CAP was accepted. The effectiveness of the corr during next assessment.	rective action will be verified



Minor Nonconformities:				
Ref	Area/Process Clause			
1711673-201811-N2	Plantations (Bekoh Estate and Eldred Estate)	4.4.5.4		
Requirements:	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.			
Statement of Nonconformity:	Terms and conditions of employment contract be were not clearly indicated.	tween the contractors and workers		
Objective Evidence:	Eldred Estate: Reviewed on the agreement between the contract clauses below were not included in the contract a. Annual leave entitlement b. Public holiday entitlement c. Number of medical leave entitlement d. Rate of work on rest day and public holiday e. Total working hours per day or per week f. Termination of contract Besides, the contract agreement has restricted to joining association as there was a clause stated to sebarang pakatan atau persatuan dan tidak akar aktiviti persatuan-persatuan yang ada dinegeri in Bekoh Estate The payslips' format could be further improved be working days in the payslip for contractors in Be	in Eldred Estate: he workers from forming of "Anda tidak boleh menubuhkan n melibatkan diri dalam apa juga ni". by indicates the number of		
Corrections:	Eldred Estate: All the item mention must be included in contract contractors. Bekoh Estate: Instruct contractors to improve their payslip by it similar as pay slip that been provided by Estate.			
Root cause analysis:	One of the contractors-workers agreement was i	not included all the item.		
Corrective Actions:	Eldred Estate: The agreement will be renewed in January 2019 included in the agreement Bekoh Estate: Provide enough information to contractors for be			
Assessment Conclusion:	CAP was accepted. The effectiveness of the correduring next assessment.	ective action will be verified		



Opportunity For Improvement		
Ref	Area/Process	Clause
1711673-201811-I1	Plantations (Bekoh Estate and Eldred Estate)	4.2.2.2
Objective Evidence:	Bekoh Estate The appointment letters dated 1/6/2018 to the Complaint Panel committee were sighted. However, all the appointment letters were appointed the committee as Secretary.	

Opportunity For Improvement		
Ref	Area/Process	Clause
1711673-201811-I2	Plantations (Bekoh Estate and Eldred Estate)	4.3.1.1
Objective Evidence:	The contractor has deducted the water and electricity usage bill from the contract workers. Communication/ approval from JTK to contractors was require to allow them to make deduction.	

Opportunity For Improvement		
Ref	Area/Process	Clause
1711673-201811-I3	Plantations (Bekoh Estate and Eldred Estate)	4.4.5.11
Objective Evidence:	Linesite inspection was carried out on weekly basis by Hospital Assistant and Staff in Bekoh Estate and Eldred Estate. The last inspection was carried out on 15/11/2018 in Bekoh Estate. The inspection was conducted in the manner of one week inspected one block of housing. This could be further enhance by carry out the inspection for all housing in a week.	

Opportunity For Improvement		
Ref	Area/Process	Clause
1711673-201811-I4	Plantations (Bekoh Estate and Eldred Estate)	4.6.3.1
Objective Evidence:	The credit terms of payment for contractors shoul Bekoh Estate and Eldred Estate as below: a. Contract No.: Bkh-Bpe 02/18 b. Contract No.: Bkh-Bpe 03/18 c. Contract No.: Bkh-Syke 04/18 d. Contract No.: E-BPE001/2018 e. Contract No.: E-WCK001/2018	d be stated in the agreement in

	Noteworthy Positive Comments	
Nil		



3.3 Status of Nonconformities Previously Identified and OFI

Not applicable since this is Initial Assessment.

Major Nonconformities:				
Ref	Area/Process	Clause		
NC ID from eReport				
Requirements:				
Statement of Nonconformity:				
Objective Evidence:				
Corrections:				
Root cause analysis:				
Corrective Actions:				
Assessment Conclusion:				
Stage II Status:				
	MinorNonconformities:			
Ref	Area/Process	Clause		
NC ID from eReport				
Requirements:				
Statement of Nonconformity:				
Objective Evidence:				
Correction Action Evidence:				
Assessment Conclusion:				



3.4 Issues Raised by Stakeholders

IS#	Description			
1	Issues:			
	Workers' Representatives and Contractors Workers - The workers informed that they have been treated equally without discrimination. They were paid according to Minimum Wage Order 2016. They were given one rest day in a week.			
	Management Responses:			
	The management will ensure that the workers were treated equally without discriminate of their status of employment.			
	Audit Team Findings:			
	No other issue.			
2	Issues:			
	Contractors – The contractors have informed that the payment by management was made promptly. They have good relationship with the management.			
	Management Responses:			
	The management will continue to maintain good relationship with the contractors.			
	Audit Team Findings:			
	Reviewed of the payment vouchers found that payment was made once the invoice received.			
3	Issues:			
	Local Communities – There was no land dispute case reported so far. Trenches, boundary stones and gates were established to demarcate the boundary. The local community's representative (Kg. Orang Asli, Tanha Gembur) has requested the management to widen the road which access to their village as the current road was only manage to allow one vehicle to pass through. Besides, they hope the management could be abolished the toll payment for them to send their crops out from the estate via estate's road.			
	Management Responses:			
	The management will arrange discussion with the local community to discuss on the requests.			
	Audit Team Findings:			
	This could be verify during next assessment.			



3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1711673-201811-M1	Major (Clause 4.4.4.2)	24/11/2018	Closed on 18/2/2019
1711673-201811-M2	Major (Clause 4.5.3.3)	24/11/2018	Closed on 18/2/2019
1711673-201811-M3	Major (Clause 4.5.6.1)	24/11/2018	Closed on 18/2/2019
1711673-201811-M4	Major (Clause 4.4.2.5)	24/11/2018	Closed on 18/2/2019
1711673-201811-M5	Major (Clause 4.4.5.5)	24/11/2018	Closed on 18/2/2019
1711673-201811-M6	Major (Clause 4.4.5.9)	24/11/2018	Closed on 18/2/2019
1711673-201811-M7	Major (Clause 4.5.3.4)	24/11/2018	Closed on 18/2/2019
1711673-201811-N1	Minor (Clause 4.4.1.1)	24/11/2018	"Open"
1711673-201811-N2	Minor (Clause 4.4.5.4)	24/11/2018	"Open"



3.6 Summary of the findings by Principles and Criteria

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

Criterio	on / Indicator	Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterio	n 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy		
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The MSPO Policy was established where the policy was signed by Sr General Manager of Boustead Plantations Berhad on 1/11/2014.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The policy was emphasize on the engagement and commitment to produce sustainable palm oil with the objective of improving estate operation.	Complied
Criterio	n 4.1.2 – Internal Audit		
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal Audit was conducted once a year by Sustainability section, the 1 st internal audit was conducted on 08-18/10/2018 at both estate to cover the entire criterion stated in the standard. Internal audit was led by Mr Ahmad Amirul Ariff and assist by Mr Amrul Nizam and Ms Hanani as a team member. The internal auditors were found competent to conduct the audit. Sighted the competency certificate by SIRIM QAS International Sdn Bhd which was conducted on 26-27/11/2015. During	Complied

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Criterio	on / Indicator	Assessment Findings	Compliance
		the internal audit, there was 7 Major NCs (Bekoh Estate) were issued. All the findings were in progress of closure.	
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.	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
	- Major compliance -		
4.1.2.3	Report shall be made available to the management for their review.	All records related to Internal Audit was maintained and available at both estate visited for review.	Complied
	- Major compliance -		
Criterion	1 4.1.3 - Management Review		
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	The management review was conducted accordingly. The 1 st Management Review was conducted on 19/10/2018 which was chaired by Planting Directing and Sustainability Chairman. All the committee members were involved during this 1 st Management Review. All the agenda were found adequate.	Complied
	- Major compliance -	agenda were round adequate.	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	Continual improvement plan was established from social management plan, environmental management plan, waste management plan, OHS plan. The plan was as follow:	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
	- Major compliance -	 To ensure water quality meets the environmental quality act 1974 To ensure soil erosion reduce at any point from further destruction To reduce contamination of chemical or fertilizer to surface water source To conserve soil fertility To reduce application of chemical usage To construct new workshop Renovation of housing Conduct stakeholder meeting Donation to stakeholder No open burning 	
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	Currently, there was no new techniques or technology that implemented at Bekoh Estate and Eldred Estate.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Continual improvement plan was established from social management plan, environmental management plan, waste management plan, OHS plan. The plan was as follow: 1. To ensure water quality meets the environmental quality act 1974 2. To ensure soil erosion reduce at any point from further destruction	Complied

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Criterio	on / Indicator	Assessment Findings	Compliance
		 To reduce contamination of chemical or fertilizer to surface water source To conserve soil fertility To reduce application of chemical usage To construct new workshop Renovation of housing Conduct stakeholder meeting Donation to stakeholder No open burning Implementation easy cut for harvesting Scavenger for infield loose fruit collection 	
4.2 Prin	ciple 2: Transparency		
Criterion	4.2.1 – Transparency of information and documents relevant	to MSPO requirements	
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	The company has maintained records of request and response, land titles and OSH plans, complaints and grievances records that make available upon request.	Complied
	- Major compliance -		
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental	The company 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, waste management plan, records of complaints and grievances were	Complied

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Criterio	on / Indicator	Assessment Findings	Compliance
	or social outcomes. - Major compliance -	available upon request. All the policies such as Pesticide Use Policy, Human Rights Policy and Foreign Workers Policy were publicly available in the company's website: www.bousteadplantations.com.my . Others sustainability practices were also available in the website.	
Criterio	n 4.2.2 - Transparent method of communication and consult	tation	
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Bekoh Estate and Eldred Estate has developed External Communication Procedure flowchart and Communication Procedure. The scope of 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. The communication is achieved through notice board, meeting minutes, trainings and newspapers. Complaint Form and the Suggestion Box was implemented in the company.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Bekoh Estate and Eldred Estate has established Complaint Panel for Internal and External committee to handle social complaints in the estate. Appointment letter for committee in Eldred Estate dated 20/3/2018 was sighted. The appointment letters dated 1/6/2018 to the Complaint Panel committee were sighted in Bekoh Estate. However, all the appointment letters were appointed the committee as Secretary. Refer to OFI raised.	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
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 was developed by including government authorities, smallholders, local communities, contractors and suppliers. The list has included the name, contact number and address of the stakeholders. Stakeholder meeting was conducted on 22/5/2018 and meeting minutes was sighted. Stakeholders such as government authorities, schools' representatives and internal workers have attended the meeting. Inputs from the stakeholders have been recorded in the meeting and the management has responded immediately. Mitigation and Monitoring plan was developed to monitor the inputs raised by the stakeholders.	Complied
Criterio	n 4.2.3 – Traceability		
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	Bekoh Estate and Eldred Estate implemented the supply chain program based on Bousted Plantations MSPO Traceability Procedures; Issue 1; Issue date: July 2016; Rev. # 2; Rev. date: March 2018. The procedure was approved by MSPO Chairman which covering the implementation of all supply chain requirements for both POM and estate.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Regular inspections on compliance with the established traceability system were conducted through periodical internal audit. Furthermore, the estate management and staff responsible to conduct related inspections on compliance of all operations including traceability system. Verification on site confirmed the inspections were regularly implemented accordingly.	Complied
4.2.3.3	The management should identify and assign suitable	The procedure also specified that the Sustainability Chairman shall have the overall responsibility for the implementation of the procedure	Complied

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Criterio	on / Indicator	Assessment Findings	Compliance
	employees to implement and maintain the traceability system. - Minor compliance -	with assignment of relevant personnel from various departments to assist in the implementation. At Eldred Estate and Bekoh Estate, the Estate manager responsible for the MSPO implementation.	
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Records of FFB sales & delivery including FFB Weighbridge Tickets together with FFB Delivery Note (Chit) and Daily Record (FFB Receiving Details Daily Report) were maintained. Sighted samples record available as following:	Complied
		i) Bekoh Estate - FFB Despatch Slip # D000323, Date:2/10/2018, Field: 97B, 03B, 99B, 02B, 14A, Type: FFB, Tonnage: 37,880 kg	
		ii) Bekoh Estate - FFB Despatch Slip # D000364, Date:30/10/2018, Field: 02C, 01B, 13A, 02B, Type: FFB, Tonnage: 31,080 kg	
		iii) Eldred Estate – FFB Despatch Note #S0000111, Date: 1/10/18, Field: PJ10B, Type: FFB, Tonnage: 27,170kg	
		iv) Eldred Estate – FFB Despatch Note: #S0000207, Date 31/10/2018, Field: PM95E, Type: FFB, Tonnage: 12,160kg	
4.3 Prin	ciple 3: Compliance to legal requirements		
Criterio	n 4.3.1 – Regulatory requirements		
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	The list of permit and license required for the operations of the estate was sighted. The sample of permit and license:	Complied
	- Major compliance -	 MPOB License: 616049002000 expiry 31/12/2019 (Bekoh Estate) Diesel permit: J034453 expiry on 17/6/2019 (Bekoh Estate) MPOB License: 504635402000 expiry 31/12/2019 (Eldred Estate) CF for Air compressor #JH PMT 22624 expiry 27/5/19 	

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Criterion / Indicator	Assessment Findings	Compliance
	Diesel permit J036859 expiry on 16/10/19 Bekoh Estate and Eldred Estate has made deduction of wages on electricity, temple, mosque and water bill for the workers. The estate has obtained permits for deduction from Jabatan Tenaga Kerja Semenanjung Malaysia as below: a. Serial No.: PP3/29/123/2005 valid from 1/8/2005 for mosque	
	fund. b. Serial No.: PP3/29/020/2010 valid from 15/8/2010 for temple fund. c. Serial No.: PP3/29/0022 valid from 4/11/1997 for electricity bill. Sampled of permits for contractor workers in Eldred Estate were found expired and under renewal process in MyEG as below:	
	a. Permit No.: PD 7816061 valid until 9/4/2018 b. Permit No.: PD 7376617 valid until 9/4/2018 c. Permit No.: PD 7282084 valid until 9/4/2018 d. Permit No.: PD 7376619 valid until 9/4/2018 e. Permit No.: PD 7780430 valid until 9/4/2018 This will be verified during next assessment.	
	The contractor has deducted the water and electricity usage bill from the contract workers in Bekoh Estate and Eldred Estate. Communication/ approval from JTK to contractors was require to allow them to make deduction. Refer to OFI raised.	



Criterio	on / Indicator	Assessment Findings	Compliance
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal: 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	LORR was established to cover all legal acts, regulations and other requirement related to POM and supply base. The sample of Act and Legal: 1. OSHA 1994 2. FMA 1967 3. Pesticide Act 1974 4. Electrical Supply (Amendment) Act 2015 5. Fire Services Act 6. Environmental Quality Act 7. Local Government Act Last evaluation was conducted in the month of January 2018.	Complied
4.3.1.4	The management should assign a person responsible to monitor	Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website	Complied

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Criterio	on / Indicator	Assessment Findings	Compliance
	compliance and to track and update the changes in regulatory requirements. - Minor compliance -	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 9/11/2018 regarding Employment Insurance System Act 2017.	
Criterio	n 4.3.2 – Lands use rights		
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.	Bekoh Estate hold 1 land titles (under CIMB Islamic Trustee Berhad): 1. Grant No: #214542, Lot 208	Complied
	- Major compliance -	Estate hold 7 land titles (under Boustead Eldred Sdn Bhd): 1. Grant No: #112011, Lot 537 2. Grant No: #112019, Lot 538 3. Grant No: #112190, Lot 534 4. Grant No: #112191, Lot 536 5. Grant No: #98808, Lot 542 The annual return of a company for Boustead Sungai Manar Sdn Bhd (Chamek Estate, Kulai Young Estate & Bekoh Estate) was sighted, where 100% of share under Boustead Plantations Berhad. The supplemental agreement between CIMB Trustee Berhad and Boustead Telok Sengat Sdn Bhd dated 5/3/2010 and between CIMB Trustee Berhad and Boustead Sungai Manar Sdn Bhd dated 5/3/2010	
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of	were sighted. Bekoh Estate hold 1 land titles (under CIMB Islamic Trustee Berhad: 1. Grant No: #214542, Lot 208	Complied

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Criterio	on / Indicator	Assessment Findings	Compliance
	the land Major compliance -	Estate hold 7 land titles (under Boustead Eldred Sdn Bhd): 1. Grant No: #112011, Lot 537 2. Grant No: #112019, Lot 538 3. Grant No: #112190, Lot 534 4. Grant No: #112191, Lot 536 5. Grant No: #98808, Lot 542	
		The annual return of a company for Boustead Sungai Manar Sdn Bhd (Chamek Estate, Kulai Young Estate & Bekoh Estate) was sighted, where 100% of share under Boustead Plantations Berhad. The supplemental agreement between CIMB Trustee Berhad and Boustead Telok Sengat Sdn Bhd dated 5/3/2010 and between CIMB Trustee Berhad and Boustead Sungai Manar Sdn Bhd dated 5/3/2010 were sighted.	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	A legal boundary was clearly demarcated. Site visit to boundary at field PR17A (Bekoh Estate) and PJ13C (Eldred Estate) with smallholder, found that the boundary stone at Bekoh Estate (02° 20′ 17.3″ N, 102° 31′ 58.4″ E) and at Eldred Estate (02° 17′ 18.4″ N, 103° 05′ 03.3″ E) was maintained.	Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall	at the time of audit.	Complied



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



Criterio	n / Indicator	Assessment Findings	Compliance
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Social Impact Assessment was carried out on 2-10/4/2018 by MEC Consultant that involved the participation of relevant stakeholders. Preliminary of SIA findings was sighted. However, the official assessment report has yet to be obtained in Eldred Estate and Bekoh Estate. Therefore, the action plan to mitigate the negative impacts and promote the positive impacts was not sighted. Thus, Minor NC was raised.	Minor Non- conformance
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	Bekoh Estate and Eldred Estate has developed Flowchart of Complaint Procedure for internal and external stakeholders. The flowchart has clearly stated the person to be in charge in each stage of complaint. In additional, flowchart for timeframe taken to resolve the problem for workers and external stakeholders was established. Maximum 20 days to be taken to resolve the complaints. Besides, the company has developed Whistleblowing Policy dated 11/1/2011 signed by Senior General Manager.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	Complaint/ Suggestion Form was established and implemented in the estates to record any complaints from the stakeholders.	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Bekoh Estate has implemented Defects Complaint Form, Workers' Complaint Form and Sexual Harassment Complaint Form. There was Complaint Form Box in front of the office, AP Post and sundry shop in the estate in order for the stakeholders to lodge complaint anytime. Eldred Estate has developed Complaint Form and External Communication Form to record the actions to be taken to solve the complaints.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Interviewed with the stakeholders confirmed that they are understood about the complaint procedure.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Bekoh Estate has implemented the system since March 2015 and the complaint forms were sighted since March 2015. Defects Complaint Form and Complaint Form was implemented in the Bekoh Estate and Eldred Estate. However, the complaints that resolved could not be verified as there was no date of resolve and no acknowledgement by the complainant after action has been taken. Thus, Major NC was raised.	Major Non- conformance
Criterio	n 4.4.3: Commitment to contribute to local sustainable develo	opment	
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	The management has made contribution to the local communities and workers such as donation to the temple festival, to the school for sport	Complied



Criterion / Indicator		Assessment Findings	Compliance
		day and organized religion class to the workers. The company also provided job opportunity to the local communities.	
Criterio	n 4.4.4: Employees safety and health		
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance - Major compliance - Both estate has established Safety and Health Policy, dated 1/6/2012 signed by Group Managing Director. Safety programme schedule for 2018 was established. The programme comprises of emergency response plan (ERP), OSH management system, risk management, safety committee activities, medical surveillance. At Bekoh Estate, the latest CHRA was done on 2/11/2018 by Env Consultancy & Monitoring Services Sdn Bhd (JKKP IH 127/171-2(193)), However, the CHRA report yet to be received. The medical surveillance was last conducted on 16/11/18 by OHD (HQ/08/DOC/00/526). All estate workers found to be fit for work. For Eldred Estate, the medical surveillance was done on 27/10/28 by Klinik Segamat (HQ/08/DOC/00/545). All workers found fit to work.		Complied
4.4.4.2	 The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: all employees involved shall be adequately trained on safe working practices 	 a) The communication of safety and health policy was done by displayed the policy on the notice board at the estate office. The briefing of safety policy was done on 10/10/2018 (Bekoh Estate) and 18/10/18 (Eldred Estate). b) SOP for HIRARC was established. Last reviewed of the assessment was done on 24/9/2018 (Bekoh Estate) and Jan 18 (Eldred Estate) to include Harvesting, Manuring, Spraying, transportation. c) A formal training programme on all aspects of OSH and MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to 	Major Non- conformance



riterion / Indicator	Assessment Findings	Compliance
ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. 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. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents	individual duties and training needs had been reviewed and found to be complied. The records of training were available at estate office. Sample training checked: Date	



Criterio	n / Indicator	Assessment Findings	Compliance
	j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. - Major compliance -	at work place. The accident report was maintained at office accordingly. (eg: Accident happened at Eldred Estate on 27/3/18 at PM95A), JKKP 6 was submitted to DOSH on 27/3/18. JKKP 8 was sent to DOSH on 12/1/2018 (Bekoh Estate) and 13/1/2018 (Eldred Estate). Fire drill at Eldred Estate was conducted on 8/8/2018 which was attended by all workers and staff. As per Emergency Response and Preparedness procedure under Occupational Safety and Health Guidelines (BEA OSH/ERP, Chapter 16, dated 1/10/2010), the operating units shall test their emergency response plan at least annually in order to assess the effectiveness of its emergency praparedness and response. However, at Bekoh Estate, there was no test of emergency response (fire drill) conducted. Thus, Major NC was raised. i) First aid equipment was available at site. First aider's competency certificate available. The training was conducted by PBSM Kota Tinggi, Johor. Sighted the report of first aid training dated 7/5/18-9/5/18. Records of incident and accident were available, using internal reporting system. Records on Lost Time Incident (LTI) metrics found to be satisfactory.	
Criterion	1 4.4.5: Employment conditions		
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees. - Major compliance -	dated 11/1/2016 signed by Senior General Manager. The company is	Complied



Criterion / Indicator		Assessment Findings	Compliance
		avoid complicity in human rights abuses. Training of the policy was conducted on 3/10/2018 and 10/10/2018 in Bekoh Estate. Seen the training attendance list and photo of the training. Besides, the policy was publicly displayed at the notice board outside the office.	
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 estate.	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	The company has employed checkroll workers in Bekoh Estate and Eldred Estate. Sampled of the payslips for checkroll workers as below for November 2017, December 2017, May 2018, June 2018, September 2018 and October 2018: a. Employee No.: 0375I (BE) b. Employee No.: 0524I (BE) c. Employee No.: 0501B (BE) d. Employee No.: 0592F (BE) e. Employee No.: 0002 (EE) f. Employee No.: 0108 (EE) g. Employee No.: 0092 (EE) h. Employee No.: 0073 (EE) All the sampled workers have achieved Minimum Wage Order 2016 and were paid accordingly if work on rest day and overtimes.	Complied



Criterio	n / Indicator	Assessment Findings	Compliance
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	The company has employed contractor's workers in Bekoh Estate. Sampled of the payslips for contractor's workers as below for December 2017, May 2018 and September 2018: a. Passport No.: H4333722 (Contract Worker BE) b. Passport No.: K0858722 (Contract Worker BE) c. Passport No.: R7084545 (Contract Worker BE) d. IC No.: 7705XX-10-5XXX (Contract Worker EE) e. Passport No.: H0769726 (Contract Worker EE) f. Passport No.: B5355962 (Contract Worker EE) g. Passport No.: H3306822 (Contract Worker EE) All the sampled workers have achieved Minimum Wage Order 2016. Reviewed on the agreement between the contractors and workers found that clauses below were not included in the contract in Eldred Estate: a. Annual leave entitlement b. Public holiday entitlement c. Number of medical leave entitlement d. Rate of work on rest day and public holiday e. Total working hours per day or per week f. Termination of contract Besides, the contract agreement has restricted the workers from forming of joining association as there was a clause stated "Anda tidak boleh menubuhkan sebarang pakatan atau persatuan dan tidak akan melibatkan diri dalam apa juga aktiviti persatuan-persatuan yang ada dinegeri ini".	Minor Non-conformance



Criterio	n / Indicator	Assessment Findings	Compliance
		The payslips' format could be further improved by indicates the number of working days in the payslip for contractors in Bekoh Estate. Thus, Minor NC was raised	
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	All the direct employment workers and contractor's workers in Eldred Estate will be registered in the Masterfile Document in Bekoh Estate, Masterfile Prooflist in Eldred Estate and Personal Particulars form for contractor's workers in Eldred Estate where personal details such as name, nationality, date of employed, job offered and date of birth was stated in the list. However, Records provided an accurate account for the contractor workers in Bekoh Estate were not available. Thus, Major NC was raised.	Major Non- conformance
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	Employment contracts for checkroll and contract workers 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. Sampled of employment contracts as below: a. Employee No.: 0375I (BE) b. Employee No.: 0524I (BE) c. Employee No.: 0501B (BE) d. Employee No.: 0592F (BE) h. Passport No.: L5034468 (Contract Worker BE)	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
		i. Passport No.: P 7393025 (Contract Worker BE) j. Passport No.: H 4333722 (Contract Worker BE)	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.		Complied
	- Major compliance -		
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	The total 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 & General Workers Daily Attendance Record.	Complied
	- Major compliance -		
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	The company has employed checkroll workers in Bekoh Estate. Sampled of the payslips for checkroll workers as below for November 2017, December 2017, May 2018, June 2018, September 2018 and October 2018:	Major Non- conformance
	- Major compliance -	a. Employee No.: 0375I (BE) b. Employee No.: 0524I (BE) c. Employee No.: 0501B (BE) d. Employee No.: 0592F (BE) e. Employee No.: 0002 (EE) f. Employee No.: 0108 (EE) g. Employee No.: 0092 (EE) h. Employee No.: 0073 (EE)	



Criterio	n / Indicator	Assessment Findings	Compliance
		All the sampled workers have achieved Minimum Wage Order 2016 and were paid accordingly if work on rest day and overtimes.	
		However, the workers in Eldred Estate who are member of NUPW have been deducted RM 11 for the subscription fees all the while. In fact, according to MAPA/NUPW Circular No. 22/2015 dated 4/8/2015, the employer required to fully subsidize RM 3.00 per month for each of the members of NUPW as premium towards NUPW/AIA Personal Accident Group Scheme. Sampled of the workers' payslip as below:	
		a. Employee No.: 0002 b. Employee No.: 0032 c. Employee No.: 0043 d. Employee No.: 0092 e. Employee No.: 0073	
		Thus, Major NC was raised.	
4.4.5.10	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.	The management provided free medical facilities to all the workers and dependents. The company also subsidized water and electricity to certain units.	Complied
	- Minor compliance -		
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards	Linesite inspection was carried out on weekly basis by Hospital Assistant and Staff in Bekoh Estate and Eldred Estate. The last inspection was carried out on 15/11/2018 in Bekoh Estate. The inspection was conducted in the manner of one week inspected one	Complied



Criterio	n / Indicator	Assessment Findings	Compliance
	Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	block of housing. This could be further enhance by carry out the inspection for all housing in a week. Refer to OFI raised.	
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	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 employee, 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.	Complied
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	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. NUPW committee was established and meeting was conducted between the management and representatives on 9/6/2018 in Bekoh Estate and 3/10/2018 in Eldred Estate. Issues reported were recorded in the minutes. Total 28 workers have joined NUPW in Bekoh Estate and 17 workers in Eldred Estate.	Complied
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.	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.	Complied



Criterio	on / Indicator		Assessment Finding	s	Compliance
	- Major compliance -	Document verified on workers employed wer	the Employee Master Lis e above 18 years old.	st confirmed that all the	
Criterio	n 4.4.6: Training and competency				
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept. - Major compliance -	and implemented. To including all field and of training needs were result training programme implemented. The proworkers. Evidence of working practices provesters - pesticides operators - manurers The records of training training checked: Date 6/3/18 7/3/18 6/3/18 15/1/18 23/10/18	were available at mill ar Training Spraying Workshop Manuring Harvesting Spraying Driving tractor	tegories of operators, to individual duties and complied. O18 was consistently ng for all categories of riate training on safe	Complied
		24/9/18 5/1/18	Driving tractor Harvesting		



Criterio	on / Indicator	Assessment Findings	Compliance
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	A formal training programme on all aspects of MSPO was been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs were reviewed and found to be complied. Training programme planned for year 2018 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to: - harvesters - pesticides operators - manurers	Complied
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	A formal training programme on all aspects of MSPO was established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs were reviewed and found to be complied. Training programme planned for year 2018 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to: - harvesters - pesticides operators - manurers	Complied



Criterion / Indicator		Assessment Findings	Compliance		
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services					
Criterio	n 4.5.1: Environmental Management Plan				
Tale 1 1 Ten environmental noticy and management ofan in compilance T		The management had established the environmental management programme for the year 2018. The plan was as follow:	Complied		
		To ensure water quality meets the environmental quality act 1974			
		To ensure soil erosion reduce at any point from further destruction			
		3. To reduce contamination of chemical or fertilizer to surface water source			
		4. To conserve soil fertility			
		5. To reduce application of chemical usage			
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy 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:	Complied		
	b) The aspects and impacts analysis of all operations.- Major compliance -	 Environmental Aspect and Impact Identification 2018; Serial # EAI/2018/02-01 dated 15/2/2018 Environmental Impact Evaluation Form Serial # EIE/2018/01-1 to EIE/2018/17-02 dated 15/2/18 			
		The estate implemented the relevant management plan for their existing planting which covered all field and facilities operational			



Criterio	on / Indicator	Assessment Findings	Compliance
		activities including operation of field upkeeps, machinery repair workshop, spraying and harvesting.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	The developed environmental improvement plan to mitigate the negative impacts and to promote the positive ones were effectively implemented and monitored.	Complied
	- Major compliance -		
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	Few environmental plan was established (environmental management plan and waste management plan). The plan was as follow:	Complied
	- Minor compliance -	To ensure water quality meets the environmental quality act 1974	
		To ensure soil erosion reduce at any point from further destruction	
		3. To reduce contamination of chemical or fertilizer to surface water source	
		4. To conserve soil fertility	
		To reduce application of chemical usage	
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.	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 10/10/2018 by the management which was attended by all estate staff and employees	Complied
	- Major compliance -		



Criterio	on / Indicator	Assessment Findings	Compliance	
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Specific Environmental Aspects & Impacts reviews were conducted annually at each operating units. Briefings were done as part of the environmental management plan on regular basis including during workers daily muster briefing and weekly assembly. The latest meeting was conducted on 23/10/2018 (Bekoh Estate).	Complied	
Criterio	n 4.5.2: Efficiency of energy use and use of renewable energ	ју		
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	There was a plan established for improving efficiency of the use of fossil fuel. Sighted the estate diesel consumption 2018. Diesel consumption/FFB produced: 1.12 l/mt (Oct 2018).	Complied	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estate was established estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.	Complied	
4.5.2.3	The use of renewable energy should be applied where possible.	Not applicable	Not applicable	
	- Minor compliance -	The applicable	. Tot applicable	
Criterion	Criterion 4.5.3: Waste management and disposal			



Criterio	on / Indicator	Assessment Findings	Compliance
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All waste products and sources of pollution was identified in Waste Management Action Plan Year 2018 for the estate. Based on the Waste Management Action Plan Year 2018 the following wastes and its sources were identified: - Domestic waste: Rubbish from linesite, office and etc Scheduled waste: SW305, SW306, SW 409 - Recyclable waste: Empty chemical container, empty fertilizer bag, palm fronds, etc.	Complied
4.5.3.2	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 - Major compliance -	As above, all waste products and sources of pollution was identified in Waste Management Action Plan Year 2018 for the estate. Site visit confirmed that the practice of reduce, reuse and recycle of materials was implemented. Segregation of wastes i.e. general wastes and scheduled wastes were verified to be satisfactory. Proper storage areas were identified for the storage of the recyclable wastes at the estate.	Complied
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. - Major compliance -	Visit to estate field and premises shown the management and disposal plan has been implemented accordingly. However, at Bekoh Estate, the records of scheduled waste was not properly documented. Thus, Major NC was raised.	Major Non- comformance



Criterion / Indicator		Assessment Findings	Compliance
		As at todate, there was no disposal of scheduled waste store.	
		Records sighted for SW at Eldred Estate i.e. Consignment Note of Scheduled Wastes; No:2018101712IM2KNU for SW305-0.3470mt, 2018101711OR0VP8 for SW102-0.046mt, 2018101712N4PWJK for SW410-0.0305mt, 2018101712YMKDG5 for SW409-0.6mt, disposal on 10/10/2018	
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.	At Bekoh Estate and Eldred Estate, the empty container will be disposed as per scheduled waste regulation. However, during site visit at Bekoh Estate, there was 2 empty pesticides containers was found in the landfill area (PM99A). Thus, Major NC was raised.	Major Non- conformance
	- Major compliance -		
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory.	Complied
	- Minor compliance -	Proper storage areas were identified for the storage of the recyclable wastes.	



Criterio	on / Indicator	Assessment Findings	Compliance
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	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.	Complied
	- Major compliance -		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	Action plan to reduce identified significant pollutants including IPM implementation, empty chemical container & empty fertilizer bags	Complied
	- Major compliance -	recycle.	
Criterio	n 4.5.5: Natural water resources		
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may	Documented Water Management Plan Year 2017 inclusive of location; wastewaters produced; treatment/containment method; reuse/recycle/disposal method was sighted. The plan was as follow:	Complied
	include: a. Assessment of water usage and sources of supply.	- To ensure water quality meets the environmental quality act 1974	
	 b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. 	To ensure the slope/ terracing area minimum or free facing soil erosionTo minimize soil destruction	
	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.).	Protection of water courses and wetlands implemented as per established policy of slope and river buffer protection policy (Refer <i>Polisi Zon Perlindungan Cerun dan Zon Penampan Sungai</i>); dated 12/1/2015.	
	d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at	At Bekoh Estate and Eldred Estate, there was no river across the estate.	



Criterio	on / Indicator	Assessment Findings	Compliance
	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.		
	f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.		
	- Major compliance -		
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	No river at both estate visited.	Complied
	- Minor compliance -		
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).	The estate practice water harvesting at strategic locations. They had constructed the silt pit at strategic area.	Complied
	- Minor compliance -		
Criterion	1 4.5.6: Status of rare, threatened, or endangered species a	nd high biodiversity value	
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:	The HCV assessment was done by the Malaysia Environmental Consultant on 2-6/4/2018, however the report yet to be received by the management. Thus, Major NC was raised.	Major Non- conformance
	a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.		



Criterio	on / Indicator	Assessment Findings	Compliance
	b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -		
	- Major Compliance -		
4.5.6.2	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:	The HCV assessment was done by the Malaysia Environmental Consultant on 2-10/4/2018, however the report yet to be received by the management. Refer to Major NC raised under clause 4.5.6.1.	Major Non- conformance
	a) Ensuring that any legal requirements relating to the protection of the species are met.		
	b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.		
	- Major compliance -		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	The HCV assessment was done by the Malaysia Environmental Consultant on 2-10/4/2018, however the report yet to be received by	Major Non- conformance
	- Major compliance -	the management. Refer to Major NC raised under clause 4.5.6.1.	
Criterio	n 4.5.7: Zero burning practices		
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	There were two fields under replanting in Bekoh Estate, PM93A//bC/D/E for total 71.6 ha. Site visit to the field confirmed that no sign of burning during replanting process.	Complied

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Criterion / Indicator		Assessment Findings	Compliance		
	- Major compliance -	The company has implemented Clearing Methods (From Oil Palm), O.P.C. No. 51.c – July 1999 where the company implemented zero burning unless 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.			
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	The visit to estate field confirmed no use of fire for land preparation during replanting. Hence, no special application made and no approval granted.	Complied		
	- Major compliance -				
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	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		
	- Major compliance -				
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	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		
	- Minor compliance -				
4.6 Prin	ciple 6: Best Practices				
Critario	Criterion 4.6.1: Site Management				
Critciio	in Holar Sice Fidingerhene				



Criterio	on / 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, lallang, manuring, pest & disease, census & thinning out, drains, road & bridges, soil/water conservation, boundaries, fences & survey, supplying, pruning, collection (harvesting), external transport and etc.	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 -	The implementation in the both estate visited was consistent with the Quality Assurance Manual and Work Instruction. Sighted Internal Audit report which was conducted once a year by Sustainability section, the 1 st internal audit was conducted on 08-18/10/2018 to cover the entire criterion stated in the standard and SOP.	Complied
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Field marking was sighted at both estate visited. Sighted field marking at PM99A, PR17A (BE)	Complied
Criterio	1 4.6.2: Economic and financial viability plan		
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Boustead Plantations Berhad has implemented a management system for monitoring and reporting of performance against production targets for achieving long-term economic and financial viability.	Complied
	- Major compliance -		
4.6.2.2	Where applicable, an annual replanting programme shall be	The earlier planting was in year 1995 and there was replanting started on October 2018. Replanting programme planning has established	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
	established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	until year 2024 for total 505.5 ha.	
	- Major compliance -		
4.6.2.3	The business or management plan may contain:	Bekoh Estate has an annual operating budget for the calendar year 2018 and five-year projections (2019 - 2023) for production. The plan	Complied
	a) Attention to quality of planting materials and FFB	includes age profile, yield projection and cost per tonne of FFB	
	b) Crop projection: site yield potential, age profile, FFB yield trends	at workers' quarters and renovate 4 blocks x 2 units of work	
	c) Cost of production : cost per tonne of FFB	quarters.	
	d) Price forecast		
	e) e) Financial indicators : cost benefit, discounted cash flow, return on investment		
	- Major compliance -		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	Bosutead Plantations Berhad has monitored the estate performance against the estimates. They have monitored the performance through Estate Weekly Report and action plan was developed if necessary.	Complied
	- Major compliance -		
Criterio	n 4.6.3: Transparent and fair price dealing		
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	The credit terms of payment for contractors should be stated in the agreement in Bekoh Estate and Eldred Estate as below:	Complied
	- Major compliance -	a. Contract No.: Bkh-Bpe 02/18 b. Contract No.: Bkh-Bpe 03/18	



Criterio	on / Indicator	Assessment Findings	Compliance
		c. Contract No.: Bkh-Syke 04/18 d. Contract No.: E-BPE001/2018 e. Contract No.: E-WCK001/2018 Refer to OFI raised.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	Sampled of contract agreement that signed by the contractors as below:	Complied
	- Major compliance -	 a. Contract No.: Bkh-Bpe 02/18 for FFB harvesting and pruning of palms in field which valid from 1/1/2018 to 31/12/2018. b. Contract No.: Bkh-Pac 07/18 for grass cutting which valid from 1/1/2018 to 31/12/2018. c. Contract No.: E-BPE001/2018 for FFB harvesting, pruning, loose fruit collection which valid from 1/1/2018 to 31/12/2018. d. Contract No.: E-WCK001/2018 for FFB harvesting, pruning, loose fruit collection which valid from 1/1/2018 to 31/12/2018. 	
Criterio	n 4.6.4: Contractor		
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	Sampled of the contract agreement found that special clause stated that the contractors have to comply with MSPO requirements as below: a. Contract No.: Bkh-Bpe 02/18	Complied
	- Major compliance -	b. Contract No.: Bkh-Bpe 03/18 c. Contract No.: Bkh-Syke 04/18 d. Contract No.: E-BPE001/2018 e. Contract No.: E-WCK001/2018	



Criterio	on / Indicator	Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	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
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Boustead Plantations Berhad has agreed for BSI auditors to verify the assessment through a physical inspection if required.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	The contractor will submit the invoice for that particular month for all the works done to the estate management and payment will be made by head office accordingly. Seen the tax invoice as below: a. Invoice No.: B0801118036 dated 30/9/2018, Payment Voucher No.: 1/09/2018 dated 4/10/2018 b. Invoice No.: B0903818108 dated 30/11/2018, Payment Voucher No.: ELD-026/11/2018 dated 21/11/2018	Complied

4.7 Principle 7: Development of new planting

Eldred Estate and Bekoh Estate – No new planting at both estate visited.



Section 4: Assessment Conclusion and Recommendation

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

Based on the findings during the assessment Eldred Estate and Bekoh Certification Unit complies with the MS 2530-3:2013. It is recommended that the certification of Eldred Estate and Bekoh Certification Unit is approved.

Acknowledgement of Assessment Findings	Report Prepared by	
Name:	Name:	
Anuar Bin Semail	Mohd Hafiz Mat Hussain	
Company name:	Company name:	
Boustead Plantations Berhad	BSI Services Malaysia Sdn. Bhd.	
Title:	Title:	
Planting Director	Client Manager	
Signature:	Signature:	
	Home	
Date: 27/3/2019	Date: 23/3/2019	



Appendix A: Assessment Plan

Date	Time	Subjects	(MH)	(HNS)
Friday,	08:30 - 09:00	Opening Meeting (Bekoh Estate)	√	√
23/11/18		Presentation by Boustead Team		
		Presentation by BSI Lead Auditor -introduction of team		
		member and assessment agenda		
Bekoh		Confirmation of assessment scope and finalizing audit scope		
Estate	09:00 - 11:00	Bekoh Estate	√	√
		Field visit, boundary inspection, field operations, staff & workers		
		interview, buffer zone, HCV area, IPM implementation, OSH&ERP,		
		workshop, storage area (agrochemical, fertilizer, lubricant etc.),		
		agrochemical mixing area, Schedule waste management, worker		
		housing, clinic, Landfill etc		
	10:30-12:30	Meeting with stakeholders (Government, village rep, smallholders,		\checkmark
		Union Leader, contractor etc.)		
	11:00 - 12:30	Document review (MS:2530 Part 3), P1: Management commitment	√	\checkmark
		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.		
	12:30 - 13:30	Lunch / Break	√	√
	13:30 - 16:30	Continue with Document review and site verification if deemed	√	$\sqrt{}$
		necessary.	,	,
	16:30 – 17:00	Interim closing meeting	√	√
Saturday,	08:30 - 09:00	Travel to Eldred Estate	√	√
24/11/18	09:00 - 11:00	Eldred Estate	√	√
		Field visit, boundary inspection, field operations, staff & workers		
Eldred		interview, buffer zone, HCV area, IPM implementation, OSH&ERP,		
Estate		workshop, storage area (agrochemical, fertilizer, lubricant etc.),		
		agrochemical mixing area, Schedule waste management, worker		
	10.00.10.00	housing, clinic, Landfill etc		,
	10:30-12:30	Meeting with stakeholders (Government, village rep, smallholders,		√
	11 00 10 00	Union Leader, contractor etc.)	,	,
	11:00 – 12:30	Document review (MS:2530 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:		
	12:30 - 13:30	Development of New Planting.	1/	7/
		Lunch / Break Continue with Document review and cite verification if doesned	√ √	V
	13:30 – 15:30	Continue with Document review and site verification if deemed	V	V
	15:30 – 16:30	necessary. Preparation for closing meeting	√	٦/
	16:30 – 17:30	Closing meeting	1/	v 3/
	10.30 - 17.30	Closing meeting	l V	V



Appendix B: List of Stakeholders Contacted

- 1. Gender Representative
- 2. Workers Representative
- 3. Sprayers
- 4. Harvesters
- 5. Mill Operators
- 6. Contractor
- 7. NUPW Representative (Kluang Region)

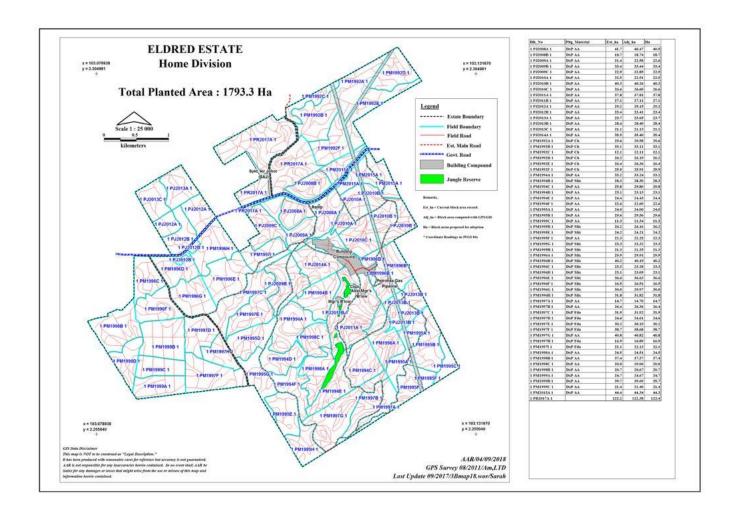


Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
	TOTAL	1		

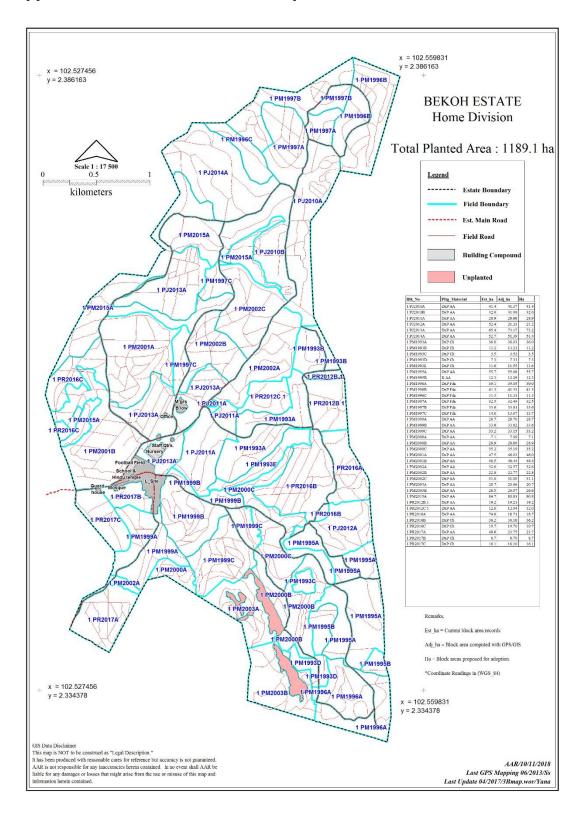


Appendix D: Eldred Estate Field Map





Appendix E: Bekoh Estate Field Map





Appendix F: List of Abbreviations

BOD Biochemical Oxygen Demand

BE Bekoh Estate
CB Certification Bodies

CHRA Chemical Health Risk Assessment

COD Chemical Oxygen Demand

CPO Crude Palm Oil
EE Eldred Estate
EFB Empty Fruit Bunch

EHS Environmental, Health and Safety
EIA Environmental Impact Assessment
EMS Environmental Management System

FFB Fresh Fruit Bunch

FPIC Free, Prior, Informed and Consent

GAP Good Agricultural Practice

GHG Greenhouse Gas

GMP Good Manufacturing Practice
GPS Global Positioning System
HCV High Conservation Value
IPM Integrated Pest Management

ISCC International Sustainable Carbon Certification

LD50 Lethal Dose for 50 sample
MSPO Malaysian Sustainable Palm Oil
MSDS Material Safety Data Sheet

MT Metric Tonnes
OER Oil Extraction Rate

OSH Occupational Safety and Health

PK Palm Kernel
PKO Palm Kernel Oil
POM Palm Oil Mill

POME Palm Oil Mill Effluent

PPE Personal Protective Equipment

RTE Rare, Threatened or Endangered species
SEIA Social & Environmental Impact Assessment

SIA Social Impact Assessment SOP Standard Operating Procedure