

**MALAYSIAN SUSTAINABLE PALM OIL  
1<sup>st</sup> ANNUAL SURVEILLANCE ASSESSMENT  
Public Summary Report**

<b>Negri Sembilan Oil Palms Berhad</b>
Client company Address: Suite 2B-3A-2, Block 2B, Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470, Kuala Lumpur, Malaysia
<b>Certification Unit:</b> 1. Gula Estate Palm Oil Mill 2. Gula Estate 3. Maran Estate Palm Oil Mill 4. Maran Estate 5. Senama Estate 6. Ibam Estate
<b>Location of Certification Unit:</b> 1. Gula Estate Palm Oil Mill and Gula Estate Eng Thye Plantations Berhad, Ladang Gula, 34350 Kuala Kurau, Perak, Malaysia  2. Maran Estate Palm Oil Mill and Maran Estate, Timor Oil Palm Plantation Berhad, Maran Estate, Batu 4, Jalan Sekolah, 26500 Maran, Pahang, Malaysia  3. Senama Estate Negri Sembilan Oil Palms Berhad, Ladang Senama, 72109 Bahau, Negeri Sembilan, Malaysia  4. Ibam Estate Negri Sembilan Oil Palms Berhad, Ladang Ibam, Lot 3351, Mukim Bebar, Daerah Pekan, Pahang, Malaysia

**Report prepared by:****Valence Shem** (Lead Auditor)**Report Number: SMO 3091786****Assessment Conducted by:**

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

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## Section 1: Executive Summary

<b>1.1 Organizational Information and Contact Person</b>			
Company Name	Negri Sembilan Oil Palms Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Gula Estate Palm Oil Mill: 500028-104000	31/03/2021	
	Gula Estate: 501490-802000	31/03/2021	
	Maran Estate Palm Oil Mill: 500019-204000	31/03/2021	
	Maran Estate: 501560-202000	31/03/2021	
	Senama Estate: 501621-802000	30/11/2020	
	Ladang Ibam: 617859-002000	31/12/2020	
Address	Suite 2B-3A-2, Block 2B, Level 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470, Kuala Lumpur, Malaysia		
Certification Unit	<ol style="list-style-type: none"> <li>1. Gula Estate Palm Oil Mill</li> <li>2. Gula Estate</li> <li>3. Maran Estate Palm Oil Mill</li> <li>4. Maran Estate</li> <li>5. Senama Estate</li> <li>6. Ibam Estate</li> </ol>		
Contact Person Name	Ng Yeen Chern / Pua Siew Onn		
Website	www.nsop.com.my	E-mail	sopua@sinthye.com
Telephone	03-2261 4633	Facsimile	03-2261 4733

<b>1.2 Certification Information</b>			
Certificate Number	Mills: MSPO 712224 Estates: MSPO 712225		
Issue Date	26/06/2019	Expiry date	25/06/2024
Scope of Certification	Mills: Production of Sustainable Palm Oil and Palm Oil Products Estates: Production of Sustainable Oil Palm Fruits		
Standard	Mills: MS 2530-4:2013 General Principles for Palm Oil Mills Estates: MS 2530-3:2013 General Principles for Oil Palm Plantations and Organized Smallholders		
Stage 1 Date	07-09/05/2019		
Stage 2 / Initial Assessment Visit Date (IAV)	28-31/05/2019		
Continuous Assessment Visit Date (CAV) 1	15-17/06 & 19-20/06/2020		

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Continuous Assessment Visit Date (CAV) 2	NA		
Continuous Assessment Visit Date (CAV) 3	NA		
Continuous Assessment Visit Date (CAV) 4	NA		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 720131	MSPO SCCS	BSI Services Malaysia Sdn. Bhd.	10/11/2024

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Gula Estate Palm Oil Mill	Eng Thye Plantations Berhad, Ladang Gula, 34350 Kuala Kurau, Perak, Malaysia	4.954158	100.469106
Gula Estate	Eng Thye Plantations Berhad, Ladang Gula, 34350 Kuala Kurau, Perak, Malaysia	4.954158	100.469106
Maran Estate Palm Oil Mill	Timor Oil Palm Plantation Berhad, Maran Estate, Batu 4, Jalan Sekolah, 26500 Maran, Pahang, Malaysia	3.634964	102.765808
Maran Estate	Timor Oil Palm Plantation Berhad, Maran Estate, Batu 4, Jalan Sekolah, 26500 Maran, Pahang, Malaysia	3.634964	102.765808
Senama Estate	Negeri Sembilan Oil Palms Berhad, Ladang Senama, 72109 Bahau, Negeri Sembilan, Malaysia	2.762903	102.467811
Ibam Estate	Negeri Sembilan Oil Palms Berhad, Ladang Ibam, Lot 3351, Mukim Bebar, Daerah Pekan, Pahang, Malaysia	2.966678	103.238800

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1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Gula Estate	2,493.25	-	104.75	2,598.00	95.97
Maran Estate	1,583.68	-	397.32	1,981.00	79.94
Senama Estate	945.41	-	1.59	947.00	99.83
Ibam Estate	2,144.00	-	36.00	2,180.00	98.35
<b>TOTAL</b>	<b>7,166.34</b>	<b>-</b>	<b>539.66</b>	<b>7,706.00</b>	

*Note: The total planted area is lesser by 6.66 Ha compare to previous assessment report due to an error in reporting the area statement for Ladang Ibam.*

1.5 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Gula Estate	395.55	640.76	1,160.40	296.54	-	2,097.70	395.55
Maran Estate	297.21	331.63	-	925.58	29.26	1,286.47	297.21
Senama Estate	289.46	580.21	75.74	-	-	655.95	289.46
Ibam Estate	1,032.00	1,112.00	-	-	-	1,112.00	1,032.00
<b>Total (ha)</b>	<b>2,014.22</b>	<b>2,664.60</b>	<b>1,236.14</b>	<b>1,222.12</b>	<b>29.26</b>	<b>5,152.12</b>	<b>2,014.22</b>

1.6 Certified Tonnage of FFB				
Estate	Tonnage / year			Forecast (Jul 2019 - Jun 2021)
	Estimated (Jul 2019 - Jun 2020)	Actual (Jul 2019 - May 2020)	Forecast (Jul 2019 - Jun 2021)	
Gula Estate	41,560	30,304.53		39,500.00
Maran Estate	20,780	19,495.99		20,583.52
Senama Estate	13,300	11,412.00		13,996.00
Ibam Estate	21,770	20,606.42		25,480.00
<b>Total</b>	<b>97,410</b>	<b>81,818.94</b>		<b>99,559.52</b>

*Note: Senama and Ibam estates do not send their FFB to neither Gula or Maran POM.*

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<b>1.7 Uncertified Tonnage of FFB</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated (Jul 2019 - Jun 2020)</b>	<b>Actual (Jul 2019 - May 2020)</b>	<b>Forecast (Jul 2019 - Jun 2021)</b>
Ikatan Ribuan Sawit		14.00	
Chip Huat & Co		385.97	
Perniagaan Teratai S/B		24.70	
Super Max Link		1,466.40	
Koh Man Sing		879.62	
Har & Wong Enterprise		439.04	
Wong Chek Cho		81.85	
Usaha Ladang		147.30	
Innovans Ind. S/B		136.60	
<b>Total</b>		3,575.48	
<b>Note:</b>			

<b>1.8 Certified Tonnage</b>			
	<b>Estimated (Jul 2019 - Jun 2020)</b>	<b>Actual (Jul 2019 - May 2020)</b>	<b>Forecast (Jul 2019 - Jun 2021)</b>
<b>Gula Estate POM</b>	<b>FFB</b>	<b>FFB</b>	<b>FFB</b>
	41,560.00	30,304.53	39,500.00
	<b>CPO (OER: 18.30%)</b>	<b>CPO (OER: 18.55 %)</b>	<b>CPO (OER: 18.00 %)</b>
	7,605.00	5,619.99	7,110.00
<b>Mill Capacity: 20 MT/hr SCC Model: SG/MB</b>	<b>PK (KER: 5.00%)</b>	<b>PK (KER: 4.52 %)</b>	<b>PK (KER: 4.50 %)</b>
	2,078.00	1,369.05	1,777.50
<b>Maran Estate POM</b>	<b>FFB</b>	<b>FFB</b>	<b>FFB</b>
	20,780.00	19,495.99	20,583.52
	<b>CPO (OER: 18.60 %)</b>	<sup>1</sup> <b>CPO (OER: 0.11%)</b>	<b>CPO (OER: 18.45 %)</b>
	3,865.08	22.00	3,797.66
<b>Mill Capacity: 20 MT/hr SCC Model: SG/MB</b>	<b>PK (KER: 5.00 %)</b>	<sup>1</sup> <b>PK (KER: 0.07%)</b>	<b>PK (KER: 5.00 %)</b>
	1,039.00	13.00	1,029.18
<i>Note: <sup>1</sup>Low production due to mill breakdown for a long period. The FFB were sold to other mill as non-certified.</i>			

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<b>1.9 Actual CPO Sold Volume (mt)</b>					
<b>Mills</b>	<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
Gula	0	0	0	5,619.99	5,619.99
Maran	0	0	0	22.00	22.00

<b>1.10 Actual PK Sold Volume (mt)</b>					
<b>Mills</b>	<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
Gula	0	0	0	1,369.05	1,369.05
Maran	0	0	0	13.00	13.00

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 15-17/06 & 19-20/06/2020. The audit programme is included in Section 2.3. The approach to the audit was to treat the Gula Estate Palm Oil Mill, Maran Estate Palm Oil Mill, Gula Estate, Maran Estate, Senama Estate and Ibam Estate as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 and MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula  $S = r\sqrt{n}$  where  $n$  is the number of estates while when applicable, the smallholders sample were determined following the 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.

All the previous nonconformities are remains closed. 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.

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



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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Gula Estate POM	X	X	X	X	X
Gula Estate	X	X	X	X	X
Maran Estate POM	X	X	X	X	X
Maran Estate	X	X	X	X	X
Senama Estate	X		X		X
Ibam Estate		X		X	

**Tentative Date of Next Visit: May 24, 2021 - May 28, 2021**

**Total No. of Mandays: 10**

## 2.1 BSI Assessment Team

<b>Team Member Name</b>	<b>Role</b> <i>(Team Leader or Team member)</i>	<b>Qualifications</b> <i>(Short description of the team members)</i>
Valence Shem (VSH)	Team Leader	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. Able to communicate in Bahasa Malaysia and English.
Muhd Naquiuddin Mazeli (MNM)	Team Member	He holds Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also

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		<p>support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.</p>
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**2.2 Accompanying Persons**

No.	Name	Role
	Nil	

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**2.3 Assessment Plan**

The Assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	VSH	MNM
Monday 15/6/2020	0830-0900	Opening meeting: <ul style="list-style-type: none"> <li>Opening presentation by audit team leader</li> <li>Confirmation of assessment scope and finalize audit plan (including stakeholder’s consultation)</li> </ul>	✓	✓
	0900-1230	<b>Ibam Estate</b> 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, Scheduled wastes management, workers housing, clinic, Landfill, etc.		
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
	1330-1630	<b>Ibam Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Tuesday 16/6/2020	1700	Audit team travels to Temerloh		
	0900-1230	<b>Maran Estate</b> 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, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
Wednesday 17/6/2020	1330-1630	<b>Maran Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
	0900-1230	<b>Maran POM</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓
Wednesday 17/6/2020	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		

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Date	Time	Subjects	VSH	MNM
	1330-1630	<b>Maran POM</b> Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
	1700	MNM travels to Kuala Kurau	-	✓
Thursday 18/6/2020	0900-1700	<b>Refer to MSPO SCCS assessment plan</b> At 1700 hr, VSH travels to Kuala Kurau	✓	✓
Friday 19/6/2020	0900-1230	<b>Gula POM</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-
	1230-1430	Lunch break & Friday prayer		
	1430-1630	<b>Gula POM</b> Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Saturday 20/6/2020	0900-1230	<b>Gula Estate</b> 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, Scheduled wastes management, workers housing, clinic, Landfill, etc.	✓	✓
	1000-1200	Stakeholder consultation	✓	-
	1230-1330	Lunch break		
	1330-1600	<b>Gula Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1600-1630	Audit team discussion & preparation for closing meeting	✓	✓
	1630-1700	Closing meeting	✓	✓

### Section 3: Assessment Findings

#### 3.1 Details of audit results

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

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

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

The nonconformity is listed below.

During the Certification Assessment there were zero (0) Major, two (2) Minor nonconformities and 2 OFIs raised. The Negri Sembilan Oil Palms Berhad 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 Non-conformity(ies) has been verified for its effectiveness and closed accordingly.

Minor Nonconformities:		
Ref: 1918270-202001-N1	Area/Process: Gula estate and Ibam estate	Clause: MS 2530:2013 Part-3, 4.5.4.2
	Issue Date: 20/6/2020	Due Date: Next ASA
Requirements:	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	
Statement of Nonconformity:	Found the action plan to reduce pollution was inadequately implemented	
Objective Evidence:	i) In Gula estate, during the site verification, it was found that oil trace at workshop (land contamination) and oil trace in monsoon drain near workshop flowing directly to water irrigation ii) Found several empty chemical containers and used PPE in dumping area at Ibam estate (15C) and Gula estate (wastes collection centre)	
Corrections:	<b><u>Gula Estate</u></b> - The estate already budgeted for oil trap and resurface of workshop in Estate Capital Expenditure 2020. The estate will seek immediate approval from top management to construct the oil trap and resurface the workshop.  - Chemical containers had been collected at the chemical premix area for triple rinsing and puncturing and stored in scheduled waste store.  <b><u>Ladang Ibam</u></b>	

	<b>Removed above mentioned items and sent to SW store for storage and proper disposal.</b>
Root cause analysis:	<p><b><u>Gula Estate</u></b></p> <ul style="list-style-type: none"> <li>- Oil traces found on workshop floor and monsoon drain very likely due to accidental discharge of residual diesel or hydraulic oil during repair and maintenance of agricultural machinery. Furthermore, as there were inadequate oil traps, some oil may have been washed into the drains.</li> <li>- Leakage of SW out of disposal system due to inadequate training of workers.</li> </ul> <p><b><u>Ladang Ibam</u></b></p> <p>The disposal of the empty chemical containers and used PPE at the dump site was accidental and not systematic. The estate had been disposing of SW409 and SW410 properly.</p>
Corrective Actions:	<p><b><u>Gula Estate</u></b></p> <ul style="list-style-type: none"> <li>- To conduct refresher Waste Management training / awareness to all personnel annually. Training conducted on 29 June 2020.</li> <li>- The Management Company's Safety and Health Department will conduct a review of SW disposal practices and processes in Gula Estate.</li> </ul> <p><b><u>Ladang Ibam</u></b></p> <p>Review training plan on SW disposal for all workers and staff and strengthen monitoring of SW waste disposal.</p>
Assessment Conclusion:	The correction and corrective action are accepted. The evidence of effective implementation shall be verified in the next assessment visit.

Minor Nonconformities:		
Ref: 1918270-202001-N2	<b>Area/Process:</b> Gula Estate POM and Maran Estate POM	<b>Clause:</b> MS 2530:2013 Part-4, 4.5.3.3
	<b>Issue Date:</b> 20/6/2020	<b>Due Date:</b> Next ASA
Requirements:	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005	
Statement of Nonconformity:	Found the handling on scheduled waste inadequately implemented	
Objective Evidence:	<ul style="list-style-type: none"> <li>i) In Maran estate POM, it was found that scheduled wastes (SW 322) was not included in the notification to the DOE and in inventory records (5<sup>th</sup> Schedule) as well</li> <li>ii) In Gula estate POM, it was found that empty chemical containers and used spill kit (SW 410) were thrown at the boiler ash dumping area.</li> <li>iii) There is no evidence that training on scheduled wastes handling has been conducted in Ladang Gula POM.</li> </ul>	
Corrections:	<b><u>Gula Estate POM</u></b>	

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	<p>- The empty chemical containers and used spill kit (SW410) had been collected and kept in scheduled waste store.</p> <p><b><u>Maran Estate POM</u></b> <b>We have immediately registered Code SW 322 and updated inventory in DOE's eSWIS.</b></p>
Root cause analysis:	<p><b><u>Gula Estate POM</u></b> As a result of inadequate training for workers, some workers dumped a few empty mill chemical containers and used spill kit inappropriately.</p> <p><b><u>Maran Estate POM</u></b> Company's SOP for Palm oil Mills ver 3.0 - released 2019, D-1.6 List of Identified scheduled wastes Generated, Page 182 included various scheduled wastes. Laboratory waste was supposed to have been disposed of as Code SW 422 - A mixture of scheduled and non-scheduled wastes. This was thought to be a practical code for disposal of small quantities of wastes including laboratory wastes.</p>
Corrective Actions:	<p><b><u>Gula Estate POM</u></b> - To conduct refresher Waste Management training / awareness to all personnel annually. - The Management Company's Safety and Health Department will conduct a review of SW disposal practices and processes in Gula Estate.</p> <p><b><u>Maran Estate POM</u></b> The COO and Chief Engineer will review the SOP for SW disposal in the POM to determine if SW disposal is adequate.</p>
Assessment Conclusion:	The correction and corrective action are accepted. The evidence of effective implementation shall be verified in the next assessment visit.

<b>Opportunity For Improvement</b>		
<b>Ref:</b> 1918270-202001-I1	<b>Area/Process:</b> Estate	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.5.4
Objective Evidence:	The enforcement of the harvesting rate paid by the contractors to their employees can be further enhanced.	

<b>Opportunity For Improvement</b>		
<b>Ref:</b> 1918270-202001-I2	<b>Area/Process:</b> Estate	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.5.11
Objective Evidence:	The implementation of the "Staff & Labour Quarters Inspection" [doc. no.: MSP0-P4-4-8] can be further improved to ensure the results accuracy of the evaluation criteria.	

<b>Noteworthy Positive Comments</b>	
1	Good relationship being maintained with surrounding communities.
2	Mill continues to maximize the use of renewable energy by using fibre and shell which produced through internal process for boiler biofuel.
3	Good cooperation from the management team in facilitation the assessment.

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

Major Nonconformities:		
<b>Ref:</b> 1774852-201905-M1	<b>Area/Process:</b> Estates	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.5.9
	<b>Issue Date:</b> 31/5/2019	<b>Due Date:</b> Closed on 17/6/2019
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
Statement of Nonconformity:	The detail wages/overtime payment and/or deduction/company contribution on pay sheet was not in line with legal regulations and collective agreements.	
Objective Evidence:	Maran Estate: Payslips for the month of Sep – Dec 2018 and Jan – Apr 2019 were not available for the following harvesting check roll employee: - Workers ID # 04164; Type: Harvester; Date joined: 28/2/2018; Nationality: Indonesia - Only Payment Voucher (Sample # B36/1/19; Dated 6/1/2019) given to worker Senama Estate: Wages payment found not in line with legal regulations and collective agreements documented on pay slip as per following samples: - Employee # 03044; Daily Worker ND (Normal Day) Pay = 29; instead of 26 ND + 3 RD for April 2019 wages - Employee # 03061; Daily Worker ND (Normal Day) Pay – 29; instead of 26 ND + 3 RD for April 2019 wages	
Corrections:	<b>With respect to objective evidence for Maran Estate</b> An immediate attempt was made to utilise the PIMS payroll system for payslip generation. The Chief Clerk referred to her colleague in a sister company for assistance but encountered some technical difficulties. As an alternative, the estate is now using a new pay statement/pay slip (which is in full compliance with regulatory requirements) for workers developed by our management Company, Sin Thye Management (STM). This new pay statement has been provided to Saepuddin (Employee ID. 04164) for the month of April and May.  <b>With respect to objective evidence for Senama Estate</b> The normal rate of pay for each worker was RM42.31 per day as daily rated workers. Both workers were paid for work done on rest day. As they worked for not more than half of normal hours of work on their rest day, they were paid one day’s wages. Furthermore, the payslips of both workers have been amended and re-issued	
Root cause analysis:	<b>With respect to objective evidence for Maran Estate</b> The estate has been practicing manual issuance of payment vouchers to harvesters. The manual checkroll system is prepared by Field Conductor and verified by the Assistant Manager before approval by the Estate Manager. Workers acknowledge their receipt of pay via a pay sheet and payment voucher. <b>With respect to objective evidence for Senama Estate</b> These two workers were assigned to carry out watering works in OP Nursery: Agus (Employee No. 03044) 8.00 am - 11.00 am (3 Hours)	



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	Suparman (Employee No. 03061) 3.00 pm - 6.00 pm (3 Hours)
Corrective Actions:	<p><b>With respect to objective evidence for Maran Estate</b> As above. Will also solicit the assistance of STM to address the possibility of using PIMS for payroll generation. If that is not possible, we shall utilise STM's pay statement/ pay slip for all workers from May 2019.</p> <p><b>With respect to objective evidence for Senama Estate</b> For transparency and the avoidance of doubt, Estate will indicate pay for work done on rest day and public holidays clearly for the nursery workers instead of the current practice. The following documents are essential elements of the process to ensure the workers records are correctly recorded. Pocket Checkroll – will indicate day worked and hours worked. Attendance taken by Field Conductors and approved by Manager. Time Card – worker will indicate the hours worked daily. Verified by the field conductors and approved by the Manager.</p>
Assessment Conclusion:	All the evidence of correction and corrective action were found to be adequate. The Major NC was closed on 17/06/2019
Verification Statement	Based on the sampled pay slips, the wages were made in accordance to legal requirements and contract agreement. There was no recurrence of non-conformity. Thus, the NCR remains closed.

Major Nonconformities:		
Ref: 1774852-201905-M2	Area/Process: Estates	Clause: MS 2530:2013 Part-3, 4.5.3.3
	Issue Date: 31/5/2019	Due Date: Closed on 17/6/2019
Requirements:	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.	
Statement of Nonconformity:	The waste management procedure was not effectively implemented	
Objective Evidence:	<p>Gula Estate The scheduled waste were stored more than 180 days without any approval from DOE. Sighted the last disposal records for SW as follows: i. SW 305, C/N no. 2018032210M4AKCI dated 22/3/2018. No disposal records since last disposal until the audit day. ii. SW 404 were send to Klinik Kesihatan Kuala Gula for disposal. The last 2 disposal was done on 7/11/2017 and 24/4/2019. The storage of SW 404 were stored more than 180 days without any approval from DOE as per records in 'Buku Rekod Sharp Bin, Klinik Ladang Gula.'</p> <p>Senama Estate The scheduled waste generated was not notified to DOE within 30 days the wastes are generated.</p>	

	The waste inventory records for the month of April 2019 were not notified to DOE as the estate has yet to register with E-SWISS.
Corrections:	<p><b>With respect to objective evidence for Gula Estate</b>            We have appointed a licensed Scheduled Waste disposer to dispose of scheduled waste SW305.            We shall ensure SW404 is disposed of within 180 days going forward.</p> <p><b>With respect to objective evidence for Senama Estate</b>            Teleconversation with DOE officer for Negeri Sembilan, Cik Shafiqah on 3rd June 2019 (Monday) directed Senama Estate to contact DOE officer in charge of Jempol District, Puan Haslinda and Encik Khairi. These officers promised to visit Senama Estate in June 2019 in order to verify type of waste and volume followed by registration.            The officers were unable to provide the DOE File Reference Number for us to start the self-registration process until they have visited the Estate.</p>
Root cause analysis:	<p><b>With respect to objective evidence for Gula Estate.</b>            Failure to dispose SW305 since March 2018 as estate management intended to accumulate enough quantities as scheduled waste collectors were unwilling to dispose of such small quantities.            While the estate had communicated with the scheduled waste disposers, there was no communication with HQ to raise the problem and HQ also failed to adequately monitor the records to ensure compliance with the law.            Failure to dispose SW 404 within the requirement of 180 days was due to the very low volume of clinical waste generated.</p> <p><b>With respect to objective evidence for Senama Estate</b>            Delay in registration via eSWIS for disposal of scheduled waste.</p>
Corrective Actions:	<p><b>With respect to objective evidence for Gula Estate</b>            To strictly abide by the Company's policy MSP0-P5-C3, in particular Appendix 1C - Scheduled Waste Disposal Procedure (Supplement) –Industrial (Palm Oil Mill and Estate). The scheduled waste shall be disposed off within 180 days going forward. If we anticipate that we may exceed the 180 days threshold, we shall apply to DOE for an extension.            Currently, the estate has been instructed to contact a scheduled waste disposer that is servicing a neighbouring cluster of other estates from another company. As these estates generate adequate quantities of scheduled waste in aggregate and these estates are prompt in their disposal, appointing their scheduled waste disposer could allow the Estate to promptly dispose of scheduled waste.            The Group Health and Safety Officer shall also review scheduled waste disposal records during his regular estate visits.            To appoint and train the storekeeper as the Person-in-Charge (PIC) to assist the POM Engineer (qualified CePSWaM) to monitor the management of Scheduled Waste.</p> <p><b>With respect to objective evidence for Senama Estate</b>            Estate will promptly proceed to eSWIS registration for all scheduled waste after verification by DOE officers.</p>
Assessment Conclusion:	<p>All the evidence of correction and corrective action were found to be adequate.            The Major NC was closed on 17/06/2019</p>
Verification Statement	The waste of SW 404 already been dispose at Edgenta Mediserve Sdn Bhd. Dated 20 March 2020. Previously was on 28 Jan 2020.

	<p>The Inventory of scheduled waste file reference no: A31/152/000/014 for May 2020. From the inventory was available for SW 305, 322 and 410.</p> <p>The disposal was done by SL Recycling (M) Sdn Bhd (Kanthan). Sampling the consignment note for SW 305 No: 2019123115U3BZKC dated 31/12/2019. The license of SL recycling (M) Sdn Bhd (license no: 004194) available for review. The competent person available in Gula estate POM (no Siri: CePSWaM/185300)</p>
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Minor Nonconformities:		
<b>Ref:</b> 1774852-201905-N1	<b>Area/Process:</b> Estates	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.5.11
	<b>Issue Date:</b> 31/5/2019	<b>Due Date:</b> Closed on 20/6/2020
<b>Requirements:</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	
<b>Statement of Nonconformity:</b>	The housing area not fully in compliance with the Worker's Minimum Standards Housing and Amenities Act 1990 requirement.	
<b>Objective Evidence:</b>	Gula Estate Evidence that he requirements for perimeter drains around each dwelling or block of dwellings including all outlet drains are kept in a good state of repair and clear of refuse or undergrowth to permit free flow of water was not met at the drain near house # L24 within the workers housing area.	
<b>Corrections:</b>	To clean and remove undergrowth in the drains.	
<b>Root cause analysis:</b>	The drain was due for cleaning in the labour quarter maintenance schedule but was delayed due to other field matters.	
<b>Corrective Actions:</b>	To adhere to the labour quarters maintenance schedule. Estate has transited to using the SOP (previously in book form): "MSP0 Staff and Labour Quarters Inspection (form)" weekly, which covers shared areas like drains etc.	
<b>Assessment Conclusion:</b>	All the corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit	
<b>Verification Statement</b>	Based on site visit of the workers housing, the undergrowth had been cleaned up. This issue is also covered during weekly housing inspection and recorded. The implementation of the corrective action was found to be effective to close the NCR.	

Minor Nonconformities:		
<b>Ref:</b> 1774852-201905-N2	<b>Area/Process:</b> Estates	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.5.13
	<b>Issue Date:</b> 31/5/2019	<b>Due Date:</b> Closed on 20/6/2020
<b>Requirements:</b>	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	

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	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.
Statement of Nonconformity:	Union membership payment conditions not met by employer
Objective Evidence:	Gula Estate: Union payment subsidy as per MAPA/NUPW Field and Other General Employees and Fringe Benefits Agreement, 2015; Agree Note No. 2-Irrevocable Agreement between MAPA and NUPW on NUPW/AIA Personal Accident Group Scheme; MAPA Circular No. 22/2015; Dated 4/8/2015 & Memo by Plantation Administration & Procurement Controller; Dated 14/8/2015 & Letter by Director; Dated 13/8/2015 was not followed/met.
Corrections:	Estate has written to the COO and the Chief Administrator to report the problem and will reimburse the workers for the premium that they had borne.
Root cause analysis:	Estate Management received memos from MAPA and our Management Company but did not act accordingly in 2015. There was an inadequate process of review of changes to laws and regulations at the Estate as omission by Estate Management was not picked up by any other staff. Furthermore, there was no subsequent review by HQ of whether Estate Management complied with the requirement.
Corrective Actions:	To improve vigilance with respect to amendments in the MAPA/NUPW Agreement. Ensure memos/agreements from MAPA/NUPW are directed to estate Legal Officer Mr. Pannirselvan for compliance, aside from being reviewed by the Estate Manager and Assistant Manager.  Engagement with NUPW representative(s) whenever visits are made to the estates. HQ will look into compliance to laws and regulations as part of MSPO Internal Audit.
Assessment Conclusion:	All the corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit
Verification Statement	All the affected employees have been reimbursed on 19/7/2019 and the payments were documented with the acknowledgement of receipt signature of the employees. The implementation of the corrective action was found to be effective to close the NCR.

Minor Nonconformities:		
<b>Ref:</b> 1774852-201905-N3	<b>Area/Process:</b> Estates	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.6.2
	<b>Issue Date:</b> 31/5/2019	<b>Due Date:</b> Closed on 20/6/2020
Requirements:	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.	
Statement of Nonconformity:	The training need analysis conducted were not covered all estate employee and contractors	
Objective Evidence:	Gula Estate The estate has conducted the training need analysis to identify the training needs for all the employees and contractors. However, the training need analysis not cover all job designation in the estate. The training need analysis only covers the field drivers only.	

Corrections:	TNA shall be prepared for all employees/groups of employees with specific vocations.
Root cause analysis:	Gula Estate Management failed to understand that the Standards required that TNA must be carried out for all Employees.
Corrective Actions:	Shall abide by the Company's SOP MSPO-P4-C6 Training Procedure which is comprehensive and indicates that training needs of all individuals shall be assessed.
Assessment Conclusion:	All the corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit
Verification Statement	The TNA already been done yearly basis, sighted the training need analysis was available ad cover all job designation. The training need was available in personal file record. The NCR was close accordingly

Minor Nonconformities:		
<b>Ref:</b> 1774852-201905-N4	<b>Area/Process:</b> Estates	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.4.2
	<b>Issue Date:</b> 31/5/2019	<b>Due Date:</b> Closed on 20/6/2020
Requirements:	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	
Statement of Nonconformity:	The SOP for chemical handling was not effectively implemented	
Objective Evidence:	Maran Estate During interview with the field supervisor, it was noted that the chemical premix was not effectively conducted at the premix area. The chemical was diluted in 4 Litter chemical container. The chemical premixing was conducted in the field using the diluted chemical. It was against the Safety Work Procedure Using Chemical and Safety Work Procedure at Premix Area established.	
Corrections:	Immediate cessation of pre-mixing in the field.	
Root cause analysis:	Ineffective understanding of the importance of the chemical premix SOP and tendency to favour convenience rather than compliance.	
Corrective Actions:	Schedule training program with our Group Safety Officer for proper safe working procedure using chemical and safe work procedure at premix area. Shall also arrange training program with STM's Agriculture Development Department (ADD) for appropriate chemical usage & dilution dosage. The above training shall be documented as per Company's MSPO Procedure MSPO-P4-C6 "Training Procedure".	
Assessment Conclusion:	All the corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit	
Verification Statement	As per verification in Field 96E by interview with the mandores and premix workers verified they will mix the chemical on evening for next day spraying at premix area. they aware regarding to this matters. Last training record was on 8 Oct 2019.	

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<b>Minor Nonconformities:</b>		
<b>Ref:</b> 1774852-201905-N5	<b>Area/Process:</b> Estates	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.6.3
	<b>Issue Date:</b> 31/5/2019	<b>Due Date:</b> Closed on 20/6/2020
Requirements:	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	
Statement of Nonconformity:	Biodiversity management plan was not effectively implemented	
Objective Evidence:	Senama Estate The estate has established Biodiversity Management Plan. In the plan stated the estate promote the prohibition of illegal hunting and ownership any wildlife. The estate has erected the signage on prohibition of illegal hunting and ownership any wildlife. Sighted during site visit at linesite, noted that house no. 46 owned 6 bird cages with birds.	
Corrections:	Estate management suggested that the owner either release or move the birds to premises outside the estate.	
Root cause analysis:	The worker who resides in the house displayed 6 bird cages of various species of birds in front of house NO. 46. The birds involved are not categorised as protected species. The Estate had on briefed all workers of its environmental policy. Unfortunately, the particular worker had to be re-briefed.	
Corrective Actions:	During the weekly Labour Quarters inspection*, the presence of animals and birds will be recorded. Workers will be issued three reminders in writing and if they do not abide by these, warning letters in writing will be issued. (*The Estate is currently using a Line Site Inspection Book but will transit to the HQ issued SOP: "MSPO Staff and Labour Quarters Inspection (form)" for weekly inspections.	
Assessment Conclusion:	All the corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit	
Verification Statement	As verification on line site inspection record and site verification, not sighted any bird or other animal. The training was done on 4/6/2020 and evaluation show they understand and comply.	

<b>Major/Minor Nonconformities:</b>		
<b>Ref:</b> 1774852-201905-N6	<b>Area/Process:</b> Estates	<b>Clause:</b> MS 2530:2013 Part-3, 4.4.1.1
	<b>Issue Date:</b> 31/5/2019	<b>Due Date:</b> Closed on 20/6/2020
Requirements:	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	
Statement of Nonconformity:	Identification and implementation of social impact plans related to cattle/goat rearing within estate area was insufficient.	
Objective Evidence:	Senama Estate: Sighted few cattle barns located inside estate nearby housing area despite signages for prohibition of cattle rearing been installed.	

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Corrections:	Efforts have been ongoing to persuade workers to reduce the number of ungulates within the estate. Estate management has fenced the line site by 7th June 2019 as a measure to prevent cattle from encroaching into workers quarters.
Root cause analysis:	Cattle corrals are located in field 1992B close to workers quarters. (The cattle corrals were approximately 120 m away from nearest line site.) Over the past few years, the Company had approached local elected representatives to mediate with the cattle owners but to no avail.
Corrective Actions:	During the MSP0 stakeholder meeting in May 2019 (documented), the OCS of Rompin Balai Polis suggested that a meeting be held together with the Veterinary dept and internal stakeholders to raise this issue again. The Company will consider this approach and handle the matter sensitively.
Assessment Conclusion:	All the corrective action were found to be adequate. Effectiveness of the implementation will be confirm on next assessment visit
Verification Statement	The estate has conducted a meeting with the cattle owners and stakeholders in the presence of representatives from the police department on 3/7/2019 to address the issue. Perimeter fencing was established by the estate to prevent encroachment of cattle into the labour quarters. Based on the evidence provided, the implementation of corrective action was found to effective. Thus, the NCR is closed.

**3.4 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1774852-201905-M1	Major	31/5/2019	Closed on 17/6/2019
1774852-201905-M2	Major	31/5/2019	Closed on 17/6/2019
1774852-201905-N1	Minor	31/5/2019	Closed on 20/6/2020
1774852-201905-N2	Minor	31/5/2019	Closed on 20/6/2020
1774852-201905-N3	Minor	31/5/2019	Closed on 20/6/2020
1774852-201905-N4	Minor	31/5/2019	Closed on 20/6/2020
1774852-201905-N5	Minor	31/5/2019	Closed on 20/6/2020
1774852-201905-N6	Minor	31/5/2019	Closed on 20/6/2020
1918270-202001-N1	Minor	20/6/2020	Open
1918270-202001-N2	Minor	20/6/2020	Open



### 3.5 Issues Raised by Stakeholders

IS #	Description
1	<p><b>Issues:</b>  <u>Police Department</u>            No complaint lodged related to Ladang Ibam so far.</p> <p><b>Management Responses:</b>            NA</p> <p><b>Audit Team Findings:</b>            NA</p>
2	<p><b>Issues:</b>  <u>Contractors</u>            Satisfy with the mechanism of awarding contracts and timing of payment. Know about company's policies and channel to lodge grievance.</p> <p><b>Management Responses:</b>            NA</p> <p><b>Audit Team Findings:</b>            NA</p>
3	<p><b>Issues:</b>  <u>Neighbouring communities</u>            Having good relationship with NSOP. Activities of NSOP did not adversely affect the wellbeing of the communities. Know about company's policies and channel to lodge grievance.</p> <p><b>Management Responses:</b>            NA</p> <p><b>Audit Team Findings:</b>            NA</p>





**Appendix A: 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**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	NSOP has established its various policies to drive the organization towards the implementation of MSPO. Among the policies are: <ul style="list-style-type: none"> <li>- Sustainability Policy</li> <li>- Environmental Policy</li> <li>- Social and Human Rights Policy</li> <li>- Occupational Safety and Health Policy</li> </ul>	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	The statement about the organisation shall continuously reviews and improve operations with respect to social, environmental and economic sustainability, guided by the principles of MSPO and best practice is emphasized in the Sustainability Policy.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	Internal audit implemented based on Sustainability MSPO Procedure Title: Internal Audit; Doc. # MSPO-01; Rev. 0; Date: 1/7/2018. Sighted Internal Audit Schedule(Appendix 1) for the audit as following: Ibam estate Internal audit – 18-21/2/2020,	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>NCR – 11 NC, close nc on 7-11 June 2020</p> <p>Maran Estate</p> <p>Internal audit – 20-21/5/2020</p> <p>NCR – 2 NC, close on 8/6/2020</p> <p>Sighted that all findings still in progress of corrective actions. It was found that for both NCRs and OBS, no specific MSPO indicators were referred to the findings. It will be better if MPSO indicators/clauses number to be included in the audit findings/reporting.</p>	
<b>4.1.2.2</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The internal audit procedure (MSPO-01 dated 1 /7/2018) was documented. The root cause and corrective action was available and close the nc accordingly after management review.</p>	Complied
<b>4.1.2.3</b>	<p>Report shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>In Ibam Estate and Maran estate the report available as MSPO-P1-C2; Appendix 4 Non-Conformance Form &amp; Appendix 5 Internal Audit Report.</p>	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	<p>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.</p>	<p>The management review procedure referred to Ref no.: MSPO-02 dated 1 July 2018. In Ibam estate the management review for internal audit conducted on 13 May 2020. For Maran estate was on 10 June 2020</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.  - Major compliance -	Action plan for continual improvement recorded as MSPO-P1-C4; Management Commitment & Responsibility – Continual improvement;	Complied
<b>4.1.4.2</b>	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.  - Major compliance -	The company established the system as per MSPO Title: Latest Technology and Systems, Standards and Practices; Ref. # MSPO-P1-2.	Complied
<b>4.1.4.3</b>	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.  - Major compliance -	Action plan including training was provided as per above proposed technologies practices.	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms,	Communication implementation were based on procedure title: Stakeholder Communication & Consultation Procedure, MSPO-P2-C2,	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>ver. 1.00, rev. 1.02, dated 8/5/2019. Stakeholders records will use the following:</p> <ul style="list-style-type: none"> <li>- Stakeholders List (Appendix 1)</li> <li>- Stakeholders Concerns and Resolution Matrix (Appendix 2)</li> <li>- Grievances/Complaints Form (Appendix 3)</li> <li>- Information Request Form – MSPO Related (Appendix 4)</li> </ul> <p>Records of communication available at individual operating units audited.</p>	
<b>4.2.1.2</b>	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>Management has made the documents public as per List of Public Documents available for MSPO Stakeholder Inspection, Doc No: MSPO-P2-C1 Version Control 1 dated 01 January 2019.</p> <p>Among the public document shared are:</p> <ol style="list-style-type: none"> <li>1. All MSPO policies and licenses</li> <li>2. Safety and health plan</li> <li>3. Plans and impact assessment relating to social impact</li> <li>4. Plans and impact assessment relating to environmental impact and pollution prevention plan</li> <li>5. Records of complaints and grievances</li> <li>6. Continual improvement plan</li> </ol>	Complied
<p><b>Criterion 4.2.2 – Transparent method of communication and consultation</b></p>			

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4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	Ref.: NSOP Stakeholder Communication & Consultation Procedure, MSPO-P2-C2, ver. 1.00, rev. 1.02, dated 8/5/2019.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	The Estate Mangers are the appointed PIC to handle any issues related to Indicator 1 (Clause 3 of the above procedure).	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. <b>- Major compliance -</b>	Stakeholder list for all the visited estates were available from various background, which are MPOB, Orang Asli representative, contractors & suppliers, neighbouring estates, etc. The lists were updated from time to time whenever necessary.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	Traceability requirements established as SOP for Products Traceability Title: Traceability for Estate/Palm Oil Mill Products; Ref. # MSPO-08; Rev. 00; Date: 1/7/2018 And also MSPO Workflow for traceability (MSPO-P3-C3) dated 6 May 2019.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Regular inspections conducted by management including internal audit as per indicator 4.1.2.1.	Complied

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<b>4.2.3.3</b>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p><b>- Minor compliance -</b></p>	<p>The management already identified and assign the employee to implement and maintained the traceability system as per below;-</p> <p>Appointment was made as following:</p> <ul style="list-style-type: none"> <li>- Surat Perlantikan Ahli Jawatankuasa MSPO: Traceability Officer (Gula Estate) – Fairus binti Ali Rajamani (Field Clerk); Date: 1/2/2019</li> <li>- Appointment – MSPO Committee Traceability Officer – Mr. Azera Chiong (Office Clerk); Date: 1/4/2019 – Senama Estate</li> <li>- Appointment – MSPO Committee Traceability Officer; Pn. Norisah Chik (Office Clerk); Date: 1/1/2019 &amp; Pn. Rosmizon Ramli (Lab Assistant); Date: 1/1/2019 – Maran Estate. The review already been conducted on 6 May 2019 no changes in appointment.</li> </ul>	Complied
<b>4.2.3.4</b>	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p><b>- Major compliance -</b></p>	<p>Records of sales, delivery/transportation maintained as per following samples:</p> <p>Maran Estate:</p> <ul style="list-style-type: none"> <li>- Weighbridge ticket # 64295; Date: 16/6/2020; Field # 99A; Product: FFB; Nett Weight: 4.20mt; Vehicle # 02 A6/99</li> <li>- Weighbridge ticket # 64289; Date: 16/6/2019; Field # 98C; Product: FFB; Nett Weight: 5.34; Vehicle # 02 B9/98</li> </ul>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>A mechanism to ensure compliance to legal and other requirement has been documented in Law enforcement File &amp; Compliance to Legal Requirements – Updates on Legal Matters Doc: MSPO-P3-C1. Sample of licenses or permit viewed were:</p> <p>Ibam estate</p> <ol style="list-style-type: none"> <li>1. MPOB License 617859002000 valid until 31 Dec 2020 and license no 618114011000 valid until 31 March 2021</li> <li>2. PMT-PH/19 23568 for PH PMT 5850 valid until 12/8/2020</li> <li>3. Weighbridge B1652423 by Metrology Corporation Malaysia Sdn Bhd dated 27/2/2020</li> <li>4. KPDNDHEP license for Petrol (Ron 95) reference no.SK(K)0555/9(P) Rompin valid until 16 Jun 2020</li> <li>5. KPDNDHEP license for Diesel reference no. PHG/RPN/102/91 SK (D) valid until 2 April 2021</li> <li>6. Fire extinguisher renew (B-SWRPN20206-876996182 DATED 12 June 2020</li> </ol> <p>Gula estate</p> <ol style="list-style-type: none"> <li>1. Weighbridge B1682744 by Metrology Corporation Malaysia Sdn Bhd dated 10/2/2020</li> </ol>	<p>Complied</p>



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		<ul style="list-style-type: none"> <li>2. MPOB License for Gula estate mill 500028104000 valid until 31/3/2021.</li> <li>3. KPDNKK license A000654 for Diesel (Euro 2M), this in progress for renewal, sighted the evidence of renewal application in BLESS system dated 14/5/2020.</li> <li>4. License purchase, store and use of Sodium Hydroxide was available license no 000330 was comply with Poison Ordinance 1952.</li> <li>5. License to generate electricity (license no 2020/01009) valid until 29/5/2021.</li> </ul>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	Applicable legal requirements listed as Register of Laws and List of Relevant Act, Laws and Regulations; Available under document MSPO-P3-C1.	Complied
<b>4.3.1.3</b>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>	Chief Administrator in HQ will notify any update and/or changes in legal requirements.	Complied
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p>Management assigned either Assistant manager or Chief Clerks/clerks as person responsible to monitor compliance and tracking/updating changes in legal requirements. Sighted sample letter of appointment as following:</p> <p>Surat Perlantikan Ahli Jawatankuasa MSPO: Legal Officer–</p>	Complied

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		<p>Pn Salamiah (Clerk); Date: 1/2/2019 – Maran estate</p> <p>Surat Perlantikan Ahli Jawatankuasa MSPO: Legal Officer–            Mr Pannirselvan A/L Murugan (Chief Clerk); Date: 1/2/2019 – Gula estate.</p>	
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p><b>- Major compliance -</b></p>	<p>There are valid land titles belonged to NSOP for all the visited estates. The certification unit did not diminish the land use rights of other users.</p>	Complied
<b>4.3.2.2</b>	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p><b>- Major compliance -</b></p>	<p><u>Maran Estate (shared with Maran POM)</u></p> <p>No. Hakmilik H.S.(D): 728, PT No.: PT 2/2273, 1,980.9331 Ha, Lease period: 25/1/1967-24/1/2066, owner: Timor Oil Palm Plantation Bhd</p> <p><u>Gula Estate (shared with Gula POM)</u></p> <p>There are 26 land titles with a total area of 2,598 Ha. All of the titles are under free hold conditions and the name of owner is Eng Thy Plantations Bhd.</p>	Complied
<b>4.3.2.3</b>	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p><b>- Major compliance -</b></p>	<p>Legal boundaries at estates visited were clearly demarcated with red and white colour concrete pole/ wooden stick. Sighted during site visit at the estates boundaries. Sampling at site visit – in Ibam between field 10B and forest</p>	Complied

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<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	So far, there is no dispute with any stakeholders with regards to land use right. Should there be any, FPIC as per established procedure title: FPIC with Respect to Land Use Rights and Customary Rights; MSPO-P3-C2; Rev. 1.01; Date: 22/5/2019, will apply.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	There is no customary rights land at all the visited estates.	Complied
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. <b>- Minor compliance -</b>	There is no customary rights land at all the visited estates.	Complied
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	There is no customary rights land at all the visited estates.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	Ref.: Social Impact Assessment (SIA) Procedure, MSPO-P4-C1, rev. 00, dated 1/7/2018.	Complied

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	- <b>Minor compliance</b> -	<u>LI, ME</u> Stakeholders consultation was done by sending questionnaires through e-mail in May 2020 due to MCO. The questionnaire was meant to collect information related to social impact evaluation. The estates are still in the midst of analysing its stakeholders' feedbacks in order to finalise mitigation measures and expected to be completed by end of June 2020. AT the point of this visit, there was no negative feedback from any stakeholders through the answers given in some of the questionnaire returned.	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented.  - <b>Major compliance</b> -	Ref.: Grievance & Complaints Handling Procedure, MSPO-P4-C2, rev. 1.01, dated 8/5/2019	Complied
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.  - <b>Major compliance</b> -	Based on the sampled complaints from the workers which were mostly on housing facility defects, the complaints were resolved on timely manner. Verification on site also confirmed the complaints were addressed accordingly.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.  - <b>Minor compliance</b> -	<u>LI, ME, GLE</u> Governed under Grievance & Complaints Handling Procedure, MSPO-P4-C2, rev. 1.01, dated 8/5/2019  Ref.: Grievances/Complaints/Feedback Form. Mostly complaints received were on housing defects. Based on the complaint form	Complied

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		records, all the issues were resolved within the timeframe defined in the procedure i.e. <14 days.	
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	The employees and the surrounding communities were made aware of the complaint procedure through stakeholders meeting and regular briefing. Based on interview, the sampled employees and stakeholders had sufficient awareness on the procedure.	Complied
<b>4.4.2.5</b>	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. <b>- Major compliance -</b>	All the visited estates have maintained their complaints and resolution records since early last year.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities. <b>- Minor compliance -</b>	LI: No request from local contribution so far.  ME: <ul style="list-style-type: none"> <li>- to Majlis Daerah Maran – gave POME for landscape use on 22/1/2019</li> <li>- to SMK Maran - gave POME for landscape use on 19/2/2019</li> <li>- Sekolah Agama Rakyat - gave POME for landscape use on 1/3/2020</li> <li>- To Kg Berkat, Kg Sungei Cedong, Tmn Sri Cedong and OKU – basic foods (e.g. rice, oil, eggs, etc.)</li> <li>- To IPD Maran, Balai Polis Trafik Maran, road block enforcers, Bomba Maran – gave mask, drinking water &amp; bread during MCO on 20/4/2020</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>- To all estate and mill staff, including contract workers – given basic foods on 8/4/2020 during MCO</li> </ul> <p>GLE:</p> <ul style="list-style-type: none"> <li>- Monetary donation to SJK(C) Yuk Hwa annually and occasionally to some other schools such as SK Kuala Gula</li> </ul>	
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.  <b>- Major compliance -</b>	NSOP Berhad has established Safety and Health Policy signed by the Executive Chairman dated 13 May 2019. In the policy stated the commitment to comply with the Occupational Safety and Health Act 1994 and Factory and Machinery Act 1967 towards achieving zero incidences. The SOP was available in site, referred Manual Keselamatan & Kesihatan Pekerjaan Bahagian Ladang (Vision 3):2020.	Complied
<b>4.4.4.2</b>	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i. all employees involved shall be adequately trained on safe working practices	<ul style="list-style-type: none"> <li>a. Policies of safety and health available dated 13 May 2019, communicated on 27/2/2020 to all workers.</li> <li>b. HIRARC in Ibam was available, latest review 20/1/2019. No record of accident happen for year 2019 in Ibam estate. CHRA was done on 9 August 2015 by CNL Consultant (Northen) Sdn Bhd - JKPP HIE 127/171-2(20). Chemical registered update Jan 2020</li> <li>c. The awareness and training programme was available for review in each estate been sample. Sample on Maran estate already been review for Year 2020 on Jan 2020</li> </ul>	Complied

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<ul style="list-style-type: none"> <li>ii. all precautions attached to products shall be properly observed and applied</li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>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.</li> <li>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.</li> <li>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</li> <li>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</li> </ul>	<ul style="list-style-type: none"> <li>d. PPE for workers was adequate during site verification, as per interview with Mr Omsuntaranaidu (MA) regarding to requirement of PPE recommendation was based on SOP ( Manual Keselamatan Kesehatan Pekerjaan Bahagian Ladang Version 3:2020) and also base on recommendation by CHRA assessor (JKKP HIE 127/171-2(20)-2017/A015) by CNL Consultants(Northern) Sdn Bhd dated 26 July 2017. Latest PPE issuance was on 13 May 2020 for Goggle to sprayer gang.</li> <li>e. As for SOP, the SOP was available in site, referred Manual Keselamatan &amp; Kesehatan Pakerjaan Bahagian Ladang (Vision 3):2020. Its cover for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f. The mills visited has appointed responsible person for safety and health as follows:               <ul style="list-style-type: none"> <li>- The appointment letter was available sampling on Maran OSH committee member En Kasturi b. Ali as secretary dated 1 Jan 2020</li> </ul> </li> <li>g. In Ibam estate, OSH meeting done on 20/2/2020, the next meeting will be done on 23/6/2020. For Maran estate, latest record was on 1 June 2020, sighted 1 record of accident dated 19 May 2020. Previously meeting was on 30 March 2020 and 27 May 2020.</li> </ul>	

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<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>h. NSOP Berhad has established Standard Operating Procedure for accident and emergency and documented in Emergency Response Plan (Pelan Tindakan Kecemasan); Appendix F5, Major Spillage (Appendix F6), Incident (Appendix F2), Physical Injury (Appendix F1). The training regarding ERP been conducted on 30 may 2020 by Mr Kasturi Ali.</p> <p>i. As for First aid training, all mandores was equipped with First aid approved content. Sampling during site verification in Maran estate in field 96E. Last training conducted was on 9 June 2020. All first aider was attend the course.</p> <p>j. The JKKP 8 record (JKKP 8/59389/2019) dated 31 /1/2020. No accident on 2019 in Ibam estate.</p> <p>In Maran estate, JKKP 8 was send on 4/2/2020 as per document JKKP8/60370/2019. No accident happen on 2019 in Maran Mill and estate.</p> <p>JKKP 6 reported on 21 May 2020 for workers 04248. Accident occurred on 19 May 2020 with total 44 days MC (20 May until 2 July 2020). SOCSO claim has been send on 6 June 2020.</p> <p>Maran Estate</p> <p>During interview with the field supervisor, it was noted that the chemical premix was not effectively conducted at the premix area. The chemical was diluted in 4 Litter chemical container. The chemical premixing was conducted in the field using the diluted chemical. It was against the Safety Work Procedure Using Chemical and Safety Work Procedure at Premix Area established. As per verification in Field 96E</p>	



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		by interview with the mandores and premix workers verified they will mix the chemical on evening for next day spraying at premix area. they aware regarding to this matters. Last training record was on 8 Oct 2019. Thus this NC remained close.	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	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.  <b>- Major compliance -</b>	The Social and Human Rights Policy is available in the office notice board signed by Mr. Goh Wei Lei, Executive Chairman dated 2/1/2019. The methods used to communicate the policy are by briefing during muster call and display at notice boards.	Complied
<b>4.4.5.2</b>	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.  <b>- Major compliance -</b>	The Social and Human Rights Policy is available in the office notice board signed by Mr. Goh Wei Lei, Executive Chairman dated 02.01.2019.  It is stated that the company will 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. Based on the interview with the workers, there has been no experience of any form of discrimination.	Complied
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	For local, a standard format of appointment letter is available (version 2. 01/19). For foreign workers, employment contract (version 1. 01/19) is used. Based on the agreements, it was noted that the	Complied

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	- <b>Major compliance</b> -	employees' pay and conditions meet legal or industry minimum standards.	
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.  - <b>Minor compliance</b> -	The mechanism to ensure that the contractor's overtime and working on rest were paid accordingly is by obtaining the pay slip of the workers from the contractor. Based on verification of pay slips of several contractors at all the visited estates, the pay slip for contractor workers has the information about overtime, work on rest day or public holiday, unpaid leave, annual leave, etc. The pay was also found to be in accordance to minimum standards.	Complied
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.  - <b>Major compliance</b> -	The overtime records in the check-roll form there is monthly overtime report for each worker. The records of the worker details such as full name, gender and other information available in employee register kept in individual file and in the master list.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.  - <b>Major compliance</b> -	The employment contract is available and signed by both employee and employer. All the sampled employment contracts and appointment letters were signed by the employees.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	Pocket check roll or punch card (Maran Estate) is used to record the working days and overtime of all workers. Verification of the check roll confirm that the working days and overtime is tally with the payslips.	Complied

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	- 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.  - Major compliance -	The break time is stated in "Butir-butir Syarat-syarat Pekerjaan" i.e. 1100-1200 hr of 0700-1500 working hours.  Verification of payslips and time recording system (check-roll/punch card) showed that the overtimes were paid accordingly.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.  - Major compliance -	Based on verification of sampled payslips, wages and overtime were found to be paid according to the Malaysian Labour Law and employment contract.	Complied
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.  - Minor compliance -	Other form of social benefits as sighted in the pay slip including company's contributions of EPF, SOCSO and EIS. Medical care and health provisions also provided for entire work force.	Complied
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 Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.  - Major compliance -	The workers are provided with free housing and electricity and water supply. The line site inspections were done weekly e.g. for Ladang Ibam was conducted by a Hospital Assistant, Mr Vijayan (from Rompin Estate) and a VMO, Dr Ahmad Basri. The last inspection was done on 5/6/2020. Based on line-site visit, the inspection report is found to be in line with the actual conditions.	Complied

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4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>Policy established as Social and Human Rights Policy; Signed by Executive Chairman (Goh Wei Lei); Date: 2/1/2019. Stated to provide workplace free of violence and sexual harassment whether directly or indirectly against all employees and stakeholders. Also referred to the Definition of Sexual Harassment; Ver. Control: 1.00; Date: 29/8/2018; Rev. -; Source: ILO. To-date, there have been no report related to sexual harassment or violence.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>There is no restriction of worker to form any trade union or workers committee e.g. at Ladang Gula, there are 37 members of NUPW.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>	<p>Established as Social and Human Rights Policy; Signed by Executive Chairman (Goh Wei Lei); Date: 2/1/2019. Stated prohibit employment by coercion. Children and young persons shall not be employed or exploited, the minimum age shall comply with local state and national legislation. Based on the employee master lists at all the visited estates, there was no evidence that children or young persons have been recruited.</p>	Complied
<b>Criterion 4.4.6: Training and competency</b>			

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Criterion / Indicator		Assessment Findings	Compliance
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. <b>- Major compliance -</b>	The estate has established the training program and documented in Safety and Health Program FY 2020: Estate under section training. The training program was done based on the training need analysis conducted and reviewed on annually basis.	Complied
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. <b>- Major compliance -</b>	The estate has conducted the training need analysis to determine the training requirement for the management, employee and contractors and documented in Training Need Analysis, Plan and Implementation 2019. The analysis was conducted on annually basis.	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. <b>- Minor compliance -</b>	The estates visited has established training program which reviewed and updated on annually basis and documented in SOP training program and Safety and Health Program FY 2019: Field. Sampling on training that been conducted by management in estate:-  Awareness to Corona Virus training on 19/3/2020 Safety working procedure for replanting on 24/8/2019 Emergency response training 24/8/2019 Tractor safety driving training 15/3/2020 PPE training and spraying training on 26/3/2019 Premix safety training on 8/10/2019 Safety signage training on 22/4/2020	Complied

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		PPE guidelines training on 18/7/2019 Application fertiliser training on 15/4/2020 Chemical safety and hazard training 14/3/2019 Fit test chemical training on 25/2/2019  Gula Estate Training on Safety work in workshop dated 25/6/2020 Training on chemical spraying dated 22/5/2020 Training on fertiliser application safety dated 28/4/2020 Fire Fighting Training dated 23/4/2019 First Aid Training dated 23/12/2019 Environmental Training on 4/6/2020	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.  - <b>Major compliance</b> -	NSOP Berhad has established the Environmental Policy signed by the Executive Chairman dated 2/1/2019. The policy stated the company commitment in protecting the environment and ensure necessary effort is taken to reduce the impact on the environment from the estates and mill operation in line with EQA 1974 and other applicable laws and regulations. The policy was communicated to the employee	Complied

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		through training, tool box meeting and displayed at the designated notice board in the mill. Communicated on 27/2/2020 to workers.	
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Estates visited have established the Environmental Management Plan base on aspects and impacts analysis conducted.</p> <p>Gula Estate</p> <p>The estate has established the environmental management plan base on the aspects and impacts analysis conducted and documented in the Environmental Aspect Impact Assessment for Estate. The management plan was conducted on annually basis. Latest review was conducted on 1/5/2020.</p> <p>Maran Estate</p> <p>The estate has established environmental management plan base on the aspect and impact analysis conducted. The management plan was reviewed on annually basis. Latest review was conducted on Feb 2020.</p> <p>Ibam Estate</p> <p>The estate has established environmental management plan base on the aspect and impact analysis conducted. The management plan was dated 15/5/2020.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		The policy for environmental been Communicated on 4/6/2020 to all staff and workers.	
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. <b>- Major compliance -</b>	The estates visited has established the environmental plan based on the aspects and impacts analysis conducted and documented in the Environmental Aspect Impact Assessment for Estate. The management plan was established for the activity which give significant impact for the environment. The management plan were reviewed annually basis.	Complied
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	Estates visited has established programme to promote the positive impacts was included in the continual improvement plan. The estate has established environmental management plan base on the aspect and impact analysis conducted include the program to promote the positive impacts as follows:  i. Prevent pollution of surface and groundwater by a. Maintaining and restoring appropriate riparian buffer zone along water bodies b. Established water quality monitoring for testing river and domestic water c. Disposal of scrap iron through recycle	Complied
<b>4.5.1.5</b>	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	Estates visited has included the environmental training in training program established.	Complied



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	plans and are working towards achieving the objectives. <b>- Major compliance -</b>	The estate has established training program which reviewed and updated on annually basis and documented in SOP training program and Safety and Health Program FY 2020: Field. The training that plan was included such as triple rinse for empty container, Chemical spillage training and also prohibition of spraying and manuring activity at buffer zone area.	
<b>4.5.1.6</b>	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. <b>- Major compliance -</b>	Environmental meeting was done on 11 Feb 2020 by management. This meeting conducted annually as per recorded.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	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. <b>- Major compliance -</b>	Estates visited monitored the consumption of non-renewable energy on monthly basis. Action plan was established plan to assess the usage of non-renewable energy.  Sighted the sample monitoring records for diesel usage FY 2019 as follows:  Maran Estate Diesel usage: 223,438 litre	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Gula Estate Diesel usage: 80,662 litre  Ibam Estate Diesel usage: 56,112 litre	
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. <b>- Major compliance -</b>	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.	Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	No renewable energy been applied in estate.	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	The estates visited has identified the waste products and source of pollution. The estates visited has identified the waste products and source of pollution and documented in List of Waste Identified. Waste identified as follows: Criterion / Indicator Assessment Findings Compliance i. Spent lubricant oil ii. Used oil filter	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>iii. Used chemical pesticides container</li> <li>iv. Household Rubbish</li> <li>v. Palm oil mill effluent</li> <li>vi. Empty fruit bunches</li> <li>vii. Clinical waste</li> </ul>	
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution</li> <li>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</li> </ul> <p><b>- Major compliance -</b></p>	<p>The estate has established waste management plan base on the identification and source of pollutions and documented in Waste Management Plan Year 2020 – Industrial (Palm Oil Mill and Estate) the plan were available for review.</p> <p>The estate has established and documented Waste Management Plan for Estate and Mill. Management plan was done base on the type of waste identified in the List of Waste Identified. The plan was reviewed on annually basis. Latest review was conducted on Feb 2020. The plan stated the Issue identified, management action, period of monitoring and person responsible.</p> <p>Sighted the implementation of the management plan established as follows:</p> <ul style="list-style-type: none"> <li>i. Sighted the records of mill waste disposal records for EFB and Decanter cake at Maran Estate.</li> <li>ii. Sighted the records of domestic waste collection for every month</li> </ul>	Complied

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		iii. The estate maintain the Scheduled Waste inventory and recorded in Inventory of Scheduled Waste records. The inventory was submitted to DOE through E-SWISS system. All recorded was available for review.	
<b>4.5.3.3</b>	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p><b>- Major compliance -</b></p>	<p>NSOP Berhad has established Standard Operating Procedure for handling of used chemicals and documented in MSPO Procedure Title: Waste Management; Ref. no. MSPO-05; Rev. 00; Date: 1/7/2018 under title Scheduled Waste Disposal Flow. Sampling as per below detail:-</p> <p>In Ibam Estate</p> <p>The consignment note 2020060915RYTQ5C for SW 409 dated 9 June 2020. Consignment note 2019122809CF80B0 FOR SW 305 dated 28 Dec 2019. The disposal was at Kualiti Alam Sdn Bhd.</p> <p>Maran Estate</p> <p>The inventory of scheduled waste was available file reference: AS:C31/152/000/012 dated May 2020. There are total 4 type of SW such as SW 110, 305, 409 and 410. Last disposal was on 15/11/2019 sampling SW 305, consignment note 2019111907NUYE9S with total 0.7618 MT at Pentas Flora Sdn Bhd. Another Disposal was on 18/11/2019 for SW 409 (consignment note no: 20191118087HE3W4 by Kualiti Alam Sdn bhd.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>The empty pesticides containers will be triple rinse and punctured and send to licensed contractor for disposal as stated in the ‘Manual Kesihatan and Keselamatan Pekerjaan Bahagian Ladang’ under section Pelupusan Bahan Terjadual.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>	<p>Domestic waste was collected by the estate twice a week and send to the designated area before collected by municipal contractors and disposed at municipal landfill.</p>	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>The assessment of all polluting activities has been conducted and documented in the GHG Management Plan and waste management Plan. The assessment was reviewed on annually basis. Latest review was conducted on 6/1/2020.</p>	Complied
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Sampling in Gula estate the estate has established management plan to reduce the significant pollutants and documented in the Greenhouse Gases Management Plan. In the management plan stated the plan to reduce identified significant pollutants and emissions. The management plan was reviewed on annually basis. Latest review was conducted on 6/1/2020. However sighted:-</p>	Non-conformity

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		1. In Gula estate, during site verification found oil trace at workshop (land contamination) and oil trace in monsoon drain near workshop that direct to water source with oil trap. 2. Found several empty chemical container and used PPE in dumping area at Ibam estate (15C) and Gula estate (Collection centre) Thus Minor NC been raised.	
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</li> <li>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.).</li> <li>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</li> </ul>	<p>NSOP Berhad has established SOP for riparian buffer zone and documented in Establishment and Management of Riparian Zone. Refer document no Gap-1 dated 1/1/2019.</p> <p>The estate also follows guidelines from MPOB for 'Menganalpasti kawasan rezab sungai dalam ladang' Refer letter no (3)04/C/PD/87/2 dated 28/9/2009.</p> <ul style="list-style-type: none"> <li>a. All estate visited already conducted water usage and sources of water supply, this action was under Water management plan dated 13/2/2020.</li> <li>b. In Ibam estate, The river water monitoring done quarterly latest result was on 27 May 2019. Test no. 7951/19 report no. EF/1283/03/19. For water analysis was done in Gula estate referred report AR-20-SV-017294-01 dated 28 May 2020.</li> <li>c. Water management plan already included ways to optimize water and nutrient such as to implement water rain</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p>	<p>harvesting used in premix area. To use back water from air conditioning irrigate the plant and others.</p> <p>d. For river protection, water course, verified during site verification at Sg Chedong and Sg Maran. The management kept maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways. No chemical activities found during site verification.</p> <p>e. No sighted any natural vegetation in riparian areas has been removed.</p> <p>f. In estate, no used bore well as water supply source.</p>	
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	<p>No rivers or waterways passing through Gula Estate.</p> <p>Maran Estate and Ibam Estate</p> <p>Sighted during site visit, no construction of bunds, weirs and dams across main rivers through an estate.</p>	Complied
<b>4.5.5.3</b>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p><b>- Minor compliance -</b></p>	<p>The practice water harvesting of water from road-side drains being directed and stored in conservation road side pits was observed in both estates.</p>	Complied
<p><b>Criterion 4.5.6:</b> Status of rare, threatened, or endangered species and high biodiversity value</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.5.6.1</b> Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> <li>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</li> <li>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</li> </ul> <p><b>- Major compliance -</b></p>	<p>The estate has conducted the assessment on the Status of rare, threatened, or endangered species and high biodiversity value and documented in the Identification of High Biodiversity Value (HBV) Habitat Area report.</p> <p>The estate continue to conduct monitoring of wildlife species to identify the status of wildlife in the estate.</p> <p>The estate has identify High Biodiversity Area for Type 2, rare, threatened or endangered ecosystems, habitats or refugia as follows:</p> <ul style="list-style-type: none"> <li>i. Sg. Maran</li> <li>ii. Sg. Chedong</li> <li>iii. Hutan Simpan Berkelah adjacent with estate field 97A</li> <li>iv. Hutan Simpan Betong adjacent with estate field 10A</li> </ul> <p>No rare, threatened or endangered species identified in the reports.</p> <p>The estate communicated on the prohibition illegal or inappropriate hunting, fishing or collecting activities to the employee and stakeholders through training, muster briefing and erecting signage at the estate entrance. No RTE identified as per Identification of High Biodiversity Value (HBV) Habitat Area report.</p>	<p>Complied</p>
<p><b>4.5.6.2</b> If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and</p>	<p>No RTE identified as per Identification of High Biodiversity Value (HBV) Habitat Area report.</p>	<p>Complied</p>



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	<p>operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>- Major compliance -</b></p>	<p>Management has been established and documented in Biodiversity Management Plan. In the management plan stated the Biodiversity Areas Identified, Management Action, Monitoring and Indicators, PIC, Timeline and status. Sighted the implementation as follows:</p> <p>i. The estate communicated on the prohibition illegal or inappropriate hunting, fishing or collecting activities to the employee and stakeholders through training, muster briefing and erecting signage at the estate entrance.</p> <p>ii. Sighted the wildlife monitoring records for the month of May 2020</p> <p>iii. Sighted the HBV monitoring sheet for Appendix 3 (2st quarter 2020)</p>	
<b>4.5.6.3</b>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></p>	<p>Management has been established and documented in Biodiversity Management Plan. In the management plan stated the Biodiversity Areas Identified, Management Action, Monitoring and Indicators, PIC, Timeline and status. Sighted the implementation as follows:</p> <p>i. The estate communicated on the prohibition illegal or inappropriate hunting, fishing or collecting activities to the employee and stakeholders through training, muster briefing and erecting signage at the estate entrance.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	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.  - <b>Major compliance</b> -	Zero burning practice as per stated in the Environmental Policy – To practice zero burning on new planting, replanting unless permitted by the relevant regulatory agencies.  Zero burning practice for land preparation as stated in the Introduction to Guidelines for Good Agriculture Practice. Refer document no. GAP-1 dated 1/1/2019	Complied
<b>4.5.7.2</b>	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.  - <b>Major compliance</b> -	No sighted any issue regarding to significant risk of disease spread. Not applicable	Complied
<b>4.5.7.3</b>	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.  - <b>Major compliance</b> -	No controlled burning is allowed as stated in Introduction to Guidelines for Good Agriculture Practice. Refer document no. GAP-1 dated 1/1/2019	Complied
<b>4.5.7.4</b>	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.  - <b>Minor compliance</b> -	The previous crop were felled or mowed down, chipped and shredded and windrowed as per Guidelines for Good Agriculture Practice. Refer document no. GAP-1 dated 1/1/2019	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>NSOP has established the SOP for operation and documented in Introduction to Guidelines for Good Agriculture Practice. The monitoring was done by the Chief Operating Officer Visit on quarterly basis and agronomist on annually basis. The COO visiting reports covers on the Accounting, FFB yield, Harvesting Quality, Other field operations, General Management and expenditure vs budget.</p> <p>The Agronomist visit report covers on the Leaf and Soil Sampling, Rainfall, Best Agronomic Management Practice, Area Statement, Palm Growth and Field Conditions, FFB Production and Yield, Leaf and Soil Analysis and Fertilizer Recommendation. The agronomist report conducted by Agromac Sdn Bhd. Visited on 4 November 2019.</p>	Complied
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p><b>- Major compliance -</b></p>	<p>Terrace and or platform was constructed in sloped that exceed 15 degrees as stated in Introduction to guidelines for good agriculture practice under Oil Palm Terrace and Platform Construction - Guidelines</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p><b>- Major compliance -</b></p>	<p>All Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps and some using board for identification for each block.</p>	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			

Criterion / Indicator		Assessment Findings	Compliance														
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p><b>- Major compliance -</b></p>	<p>The estates visited has established 10 years business plan and documented in 10 years production, expenditure and profit/loss projection. 2019 – 2028. In the management plans stated:</p> <ul style="list-style-type: none"> <li>i. Hectare statement</li> <li>ii. FFB production</li> <li>iii. FFB purchase</li> <li>iv. FFB, CPO and PK dispatch</li> <li>v. Production cost</li> <li>vi. Yield and area statement</li> </ul>	Complied														
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p><b>- Major compliance -</b></p>	<p>The estates visited has established 10 years replanting program base on the palm age with consideration of yield and terrain. Sighted the sampled replanting program as follows</p> <table border="1" data-bbox="1095 1045 1917 1393"> <thead> <tr> <th>Year</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>103.4</td> </tr> <tr> <td>2021</td> <td>133.41</td> </tr> <tr> <td>2022</td> <td>128.91</td> </tr> <tr> <td>2023</td> <td>135.9</td> </tr> <tr> <td>2024</td> <td>152.62</td> </tr> <tr> <td>2025</td> <td>153.71</td> </tr> </tbody> </table>	Year	Ha	2020	103.4	2021	133.41	2022	128.91	2023	135.9	2024	152.62	2025	153.71	Complied
Year	Ha																
2020	103.4																
2021	133.41																
2022	128.91																
2023	135.9																
2024	152.62																
2025	153.71																

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		2026	135.46	
		2027	139.77	
		2028	154.42	
		2029	141.94	
<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production: cost per tonne of FFB</li> <li>d) Price forecast</li> <li>e) Financial indicators: cost benefit, discounted cash flow, return on investment</li> </ul> <p><b>- Major compliance -</b></p>	<p>The estates visited has established 10 years business plan as guidance for the estate to conduct the daily operation and expenditure. The business plan was documented in 10 years production, expenditure and profit/loss projection 2019 – 2028. Items stated in the business plan as follows:</p> <ul style="list-style-type: none"> <li>i. Hectare statement</li> <li>ii. FFB yield/ha and Total Production by age</li> <li>iii. FFB Production and FFB purchase (FFB, CPO, PK, OER, KER)</li> <li>iv. Production cost</li> <li>v. Cost/ha and Cost/tons</li> <li>vi. Dispatch (CPO and PK)</li> </ul> <p>The capital expenditure was documented in Financial Year Projected Capital Expenditure (CAPEX).</p>		Complied
<b>4.6.2.4</b>	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p>	<p>The business management plan were reviewed by the Chief Operating Officer during his visit on quarterly basis. Sighted the visiting report dated 4 Nov 2019</p>		Complied

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	- Major compliance -		
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Pricing mechanism is guided by NSOP Policies Manual, Feb 2006, Chapter 6.0 Procurement, Ver. 1.0.	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	All the appointed contractors have signed their respective contract agreements with NSOP. Based on sampled vouchers, the payments were made in timely manner.	Complied
<b>Criterion 4.6.4:</b> Contractor			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The contractors were made to understand the MSPO requirements through stakeholders meeting. At Maran Estate for example, verification of a contract agreement between Timor Oil Palm Plantation Bhd and Hasbollah Bin Johari dated 1/1/2020 showed that the details of job description (e.g. harvesting and evacuation), pricing and payment were stated.	Complied
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Copies of the signed contract agreement as mentioned in 4.6.4.1 were available for verification.	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.	There is no objection by the management to accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	Complied

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	- <b>Minor compliance</b> -		
<b>4.6.4.4</b>	<p>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.</p> <p>- <b>Major compliance</b> -</p>	<p>The observance established as Control Points for Contractors; Doc. # MSPO-P6-C4; 11/1/2019 which includes the following:</p> <ul style="list-style-type: none"> <li>- Work performance parameters</li> <li>- Compliance to safety and health standards</li> <li>- Compliance with laws/statutes/regulations</li> <li>- MSPO requirements</li> </ul>	Complied
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
<b>4.7.1.1</b>	<p>Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.</p> <p>- <b>Major compliance</b> -</p>	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>4.7.1.2</b>	<p>No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p>- <b>Major compliance</b> -</p>	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>Criterion 4.7.2: Peat Land</b>			

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Criterion / Indicator		Assessment Findings	Compliance
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented	NA as no new development for oil palm plantations at NSOP estates.	NA



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	and a plan to manage the impacts developed, implemented, monitored and reviewed. <b>- Minor compliance -</b>		
<b>Criterion 4.7.4: Soil and topographic information</b>			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils</b>			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA

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<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.  - <b>Major compliance</b> -	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>Criterion 4.7.6:</b> Customary land			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.  - <b>Major compliance</b> -	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>4.7.6.2</b>	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.  - <b>Minor compliance</b> -	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>4.7.6.3</b>	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.  - <b>Major compliance</b> -	NA as no new development for oil palm plantations at NSOP estates.	NA
<b>4.7.6.4</b>	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject	NA as no new development for oil palm plantations at NSOP estates.	NA

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	to their free prior informed consent and negotiated agreement. <b>- Major compliance -</b>		
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. <b>- Minor compliance -</b>	NA as no new development for oil palm plantations at NSOP estates.	NA

**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill.**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	NSOP has established its various policies to drive the organization towards the implementation of MSPO. Among the policies are:  - Sustainability Policy - Environmental Policy - Social and Human Rights Policy - Occupational Safety and Health Policy	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	The statement about the organisation shall continuously reviews and improve operations with respect to social, environmental and economic sustainability, guided by the principles of MSPO and best practice is emphasized in the Sustainability Policy.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	Internal audit implemented based on Sustainability MSPO Procedure Title: Internal Audit; Doc. # MSPO-01; Rev. 0; Date: 1/7/2018. Sighted Internal Audit Schedule(Appendix 1) for the audit as following:  Maran POM  Internal audit – 20-21/5/2020  NCR – 2 NC, close on 8/6/2020	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.  - Major compliance -	The internal audit procedure (MSPO-01 dated 1 /7/2018) was documented. The root cause and corrective action was available and close the nc accordingly after management review.	Complied
4.1.2.3	Reports shall be made available to the management for their review.  - Major compliance -	In Gula Estate POM and Maran estate POM the report available as MSPO-P1-C2; Appendix 4 Non-Conformance Form & Appendix 5 Internal Audit Report.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.  - Major compliance -	The management review procedure referred to Ref no.: MSPO-02 dated 1 July 2018. In Maran POM, the management review was conducted on 10 June 2020. The discussion was include the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.  - Major compliance -	Action plan for continual improvement recorded as MSPO-P1-C4; Management Commitment & Responsibility – Continual Improvement such as :-  1. To install water filter for consumption and new piping line from reservoir	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2. To renew workers housing for year 2020 3. New building for Scheduled waste to ensure all SW generate was store properly. 4. To construct new Staff house 5. Geotube installation to increase and improve final discharge quality 6. Increase effluent pond bund height to prevent water flow over and pollution.	
<b>4.1.4.2</b>	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.  <b>- Major compliance -</b>	The company established the system as per MSPO Title: Latest Technology and Systems, Standards and Practices; Ref. # MSPOP1-2. Sample as per below:- - Life Enhancement Technologies - Air Pollution Control System (APCS) - Online Measurement of Opacity and TPM - Mechanized Collection of FFB - Methane Capture - Mechanized Loose Fruit Collection	Complied
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.2.1.1</b>	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p><b>- Major compliance -</b></p>	<p>Communication implementation were based on procedure title: Stakeholder Communication &amp; Consultation Procedure, MSPO-P2-C2, ver. 1.00, rev. 1.02, dated 8/5/2019. Stakeholders records will use the following:</p> <ul style="list-style-type: none"> <li>- Stakeholders List (Appendix 1)</li> <li>- Stakeholders Concerns and Resolution Matrix (Appendix 2)</li> <li>- Grievances/Complaints Form (Appendix 3)</li> <li>- Information Request Form – MSPO Related (Appendix 4)</li> </ul> <p>Records of communication available at individual operating units audited.</p>	Complied
<b>4.2.1.2</b>	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>Management has made the documents public as per List of Public Documents available for MSPO Stakeholder Inspection, Doc No: MSPO-P2-C1 Version Control 1 dated 01 January 2019.</p> <p>Among the public document shared are:</p> <ol style="list-style-type: none"> <li>1. All MSPO policies and licenses</li> <li>2. Safety and health plan</li> <li>3. Plans and impact assessment relating to social impact</li> <li>4. Plans and impact assessment relating to environmental impact and pollution prevention plan</li> <li>5. Records of complaints and grievances</li> <li>6. Continual improvement plan</li> </ol>	Complied
<p><b>Criterion 4.2.2 – Transparent method of communication and consultation</b></p>			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	Ref.: NSOP Stakeholder Communication & Consultation Procedure, MSPO-P2-C2, ver. 1.00, rev. 1.02, dated 8/5/2019.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	The Estate Mangers are the appointed PIC to handle any issues related to Indicator 1 (Clause 3 of the above procedure).	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. <b>- Major compliance -</b>	Stakeholder list for all the visited estates were available from various background, which are MPOB, Orang Asli representative, contractors & suppliers, neighbouring estates, etc. The lists were updated from time to time whenever necessary.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. <b>- Major compliance -</b>	Traceability requirements established as SOP for Products Traceability Title: Traceability for Estate/Palm Oil Mill Products; Ref. # MSPO-08; Rev. 00; Date: 1/7/2018  And also MSPO Workflow for traceability (MSPO-P3-C3) dated 6 May 2019.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Regular inspections conducted by management including internal audit as per indicator 4.1.2.1.	Complied
4.2.3.3	The management shall identified and assign suitable employees to	Appointment was made as following:	Complied



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Criterion / Indicator		Assessment Findings	Compliance
	implement and maintain traceability system. <b>- Minor compliance -</b>	Maran POM: MSPO Committee Traceability Officer; Pn. Norisah Chik (Office Clerk); Date: 1/1/2019 & Pn. Rosmizon Ramli (Lab Assistant); Date: 1/1/2019	
<b>4.2.3.4</b>	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	Records of sales, delivery/transportation maintained as per following samples:  Input: Sampled the weighbridge ticket in 31 May 2019 as below: Weighbridge ticket: 321262 Supplier: Gula Estate Transporter: ACU 2349 Product: Fresh Fruit Bunch Contract: - Nett weight: 7,330 kg Date: 31/5/2020  External FFB input: Weighbridge ticket: 314312	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Supplier: Teoh Ah Bah Transporter: CAR 1391 Product: Fresh Fruit Bunch Contract: - Nett weight: 7,420 kg  Out put: Weighbridge Ticket: 13813 Product: CPO Customer: XXXX Vehicle No: NDH 2959 Contract No: ETPO/008/20 Nett weight: 36,970kg Date: 24/04/2020	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	A mechanism to ensure compliance to legal and other requirement has been documented in Law enforcement File & Compliance to Legal Requirements – Updates on Legal Matters Doc: MSPO-P3-C1.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>- Major compliance -</b></p>	<p>Sample of licenses or permit viewed were:</p> <ol style="list-style-type: none"> <li>1. Water extraction license (SWUL/LPSA/68/2018) with supporting document from Badan Kawal Selia Air (SUKPHG-12.700-15/3/1(37) dated 19/12/2019.</li> <li>2. Weighbridge certificate by Metrology Corporation Malaysia under no B1402489 dated 7/8/2019</li> <li>3. Power Generation License valid until 10/2/2021</li> <li>4. MPOB license 501490802000 valid until 31/3/2021</li> <li>5. Jadual Pematuhan (004131) JP/KKS/2019/2020/004131 valid from 1/7/2019 until 30/6/2020.</li> <li>6. Jadual Pematuhan License (AS(B)A91/110/616/049(12)) license no. 004231. For to comply with black smoke regulation 2014, the mill management have the intervene license from DOE referred license no AS(B)A31/152/000/014.</li> <li>7. MPOB License for Gula estate mill 500028104000 valid until 31/3/2021.</li> <li>8. KPDNKK license A000654 for Diesel (Euro 2M), this in progress for renewal, sighted the evidence of renewal application in BLESS system dated 14/5/2020.</li> <li>9. License purchase, store and use of Sodium Hydroxide was available license no 000330 was comply with Poison Ordinance 1952.</li> </ol>	

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Criterion / Indicator		Assessment Findings	Compliance
		10. License to generate electricity (license no 2020/01009) valid until 29/5/2021.	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. <b>- Major compliance -</b>	Applicable legal requirements listed as Register of Laws and List of Relevant Act, Laws and Regulations; MSPO-P3-1 as per sample sighted:  - Legal Registry for Financial Year 2020 (Gula Estate POM); Date: 30/4/2020	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. <b>- Major compliance -</b>	Chief Administrator in HQ will notify any update and/or changes in legal requirements.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	Management assigned either Mill Engineers or Chief Clerks as person responsible to monitor compliance and tracking/updating changes in legal requirements. Sighted sample letter of appointment as following:  In Gula Mill management already appoint Mr Pannirselvan A/L Murugan dated 1 Feb 2019.  The monitoring was done and verified as per below;-  1. Medical surveillance was done annually as per recommendation by CHRA assessor, latest record was on 20 Feb 2019 with total 21. For year 2020 the management already send 22 workers for medical surveillance on June 2020. The result still pending at	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Poliklinik Ar Razi (DOSH Reg. No: HQ/11/DOC/00/206). Latest OHD HQ/18/DOC/00/00223 valid until 1/7/2021.</p> <ol style="list-style-type: none"> <li>2. Audiometric test report done periodically, the record available for review. Conducted by Industrial Safety Management Services (HQ/15/DOC/00416). The result recorded no hearing impairment and no Standard threshold. In Gula estate POM, the Audiometric test conducted on 18/12/2019, from the result found 2 with hearing impairment and 23 with STS.</li> <li>3. Hearing conservation training will be done on 15/7/2020 refer letter J31-1808-31018397</li> <li>4. Isokinetic Monitoring conducted on 29 June 2019 by Envision Service, The result was less than according to specification of Malaysia Environmental Quality limit of 0.4g/Nm3.</li> <li>5. Boundary Noise monitoring report in Maran Mill by Industrial Safety Management Services. The result was meet the requirement as specific by the Planning Guidelines for Environmental Noise Limits and Control 2004.</li> <li>6. Noise Risk Assessment already been conducted on 9/6/2020 by CNL Consultants (Northern) Sdn Bhd. The result was still pending.</li> <li>7. JKPP 7 was sent dated 6/5/2020, In Gula Estate POM, already send medical surveillance on 12 November 2019.</li> </ol>	

Criterion / Indicator		Assessment Findings	Compliance
		2 person of Lab operator was send and result they fit to work.	
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	The land titles for both mills are shared with Gula Estate and Maran Estate respectively.	Complied
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	The land titles for both mills are shared with Gula Estate and Maran Estate respectively.	Complied
<b>4.3.2.3</b>	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The mills visited were located in the sister estate (Gula Estate and Maran Estate). Mill boundary were demarcated with fences.	Complied
<b>4.3.2.4</b>	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	So far, there is no dispute with any stakeholders with regards to land use right. Should there be any, FPIC as per established procedure title: FPIC with Respect to Land Use Rights and Customary Rights; MSPO-P3-C2; Rev. 1.01; Date: 22/5/2019, will apply.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - <b>Major compliance</b> -	There is no customary rights land at all the visited mills.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - <b>Minor compliance</b> -	There is no customary rights land at all the visited mills.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - <b>Major compliance</b> -	There is no customary rights land at all the visited mills.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	Ref.: Social Impact Assessment (SIA) Procedure, MSPO-P4-C1, rev. 00, dated 1/7/2018.  <u>ME POM, LG POM</u>  Stakeholders consultation was done by sending questionnaires through e-mail in May 2020 due to MCO. The questionnaire was meant to collect information related to social impact evaluation. The estates are still in the midst of analysing its stakeholders' feedbacks in order to finalise mitigation measures and expected to be completed by end of June 2020. AT the point of this visit, there was	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		no negative feedback from any stakeholders through the answers given in some of the questionnaire returned.	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	Ref.: Grievance & Complaints Handling Procedure, MSPO-P4-C2, rev. 1.01, dated 8/5/2019	Complied
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. <b>- Major compliance -</b>	Based on the sampled complaints from the workers which were mostly on housing facility defects, the complaints were resolved on timely manner. Verification on site also confirmed the complaints were addressed accordingly.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	Governed under Grievance & Complaints Handling Procedure, MSPO-P4-C2, rev. 1.01, dated 8/5/2019  Ref.: Grievances/Complaints/Feedback Form. Mostly complaints received were on housing defects. Based on the complaint form records, all the issues were resolved within the timeframe defined in the procedure i.e. <14 days.	Complied
<b>4.4.2.4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	The employees and the surrounding communities were made aware of the complaint procedure through stakeholders meeting and regular briefing. Based on interview, the sampled employees and stakeholders had sufficient awareness on the procedure.	Complied
<b>4.4.2.5</b>	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon	All the visited mills have maintained their complaints and resolution records since early last year.	Complied



Criterion / Indicator		Assessment Findings	Compliance
	request. - <b>Major compliance</b> -		
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.  - <b>Minor compliance</b> -	Contributions are shared with the estates. Refer to Indicator 4.4.3.1 of MSPO Part 3.	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.  - <b>Major compliance</b> -	NSOP Berhad has established Safety and Health Policy signed by the Executive Chairman dated 2/1/2019.  In the policy stated the commitment to comply with the Occupational Safety and Health Act 1994 and Factory and Machinery Act 1967 towards achieving zero incidences.  The mill has established the safety and health plan and documented in Safety and Health Program for the Year 2019: Mill. The program divided into General, workplace inspection, training program, safety, health and environment, emergency response plan, vehicle safety, OSH reporting/evaluation and OSH training/seminars/course.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.4.2</b> The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</li> <li>g) The management shall conduct regular two-way communication with their employees where issues that affect their business</li> </ul>	<ul style="list-style-type: none"> <li>a) OSH Policy NSOP Berhad has established Safety and Health Policy signed by the Executive Chairman dated 13/5/2019. The policy was communicated through tool box meeting, morning muster briefing and displayed at several designated notice board in the mill. Noted during interview with the workers shows the understanding on the Safety and Health Policy among the workers.</li> <li>b) The chemical hazard risk assessment (CHRA) available for review. Latest was done on 23 April 2015. Already renew on 18/5/2020 by CNL Consultants (Northern) Sdn Bhd. Report still pending. HIRARC review was done periodically or when accident happen. Latest record was dated 9 March 2020.</li> <li>c) The awareness training program for employee exposed to chemicals has been included in the training program established. The training programme was by individual base. Latest updated was on 4 June 2020.</li> <li>d) NSOP Berhad has provided all PPE to all the workers base on job type and designation following the HIRARC and the Occupational Safety and Health Manual for Plantation Workers. Sighted the PPE issuance records for safety shoes, wellington boots, and ear plug recorded in the PPE Issue logbook (Maran POM) and PPE issuance records – Safety Equipment, PPE Requisition and Issuing Record Book (Gula POM).</li> <li>e) NSOP Berhad has established SOP for chemical handling and documented in and the Occupational Safety and Health</li> </ul>	<p>Complied</p>

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<p>such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>Manual for Plantation Workers. Refer SOP 'Penggunaan Kerja Selamat Penggunaan Bahan Kimia/Racun; Procedure no. SOP/CHEMICAL/09; Rev. no. 02; Date: 15/12/2017 – Labelling: Panduan Label Bahan Kimia.</p> <p>f) Gula estate POM has appointed the Safety Supervisor as per 'Surat Lantikan Ahli Jawatankuasa MSPO sebagai Safety Officer' date 1/2/2019 signed by the mill manager.</p> <p>g) For Maran Estate POM, latest record was on 1 June 2020, sighted no record of accident dated. Previously meeting was on 30 March 2020 and 27 May 2020.</p> <p>h) NSOP Berhad has established Standard Operating Procedure for accident and emergency and documented in Emergency Response Plan (Pelan Tindakan Kecemasan); Appendix F5, Major Spillage (Appendix F6), Incident (Appendix F2), Physical Injury (Appendix F1). The training regarding ERP been conducted on 30 may 2020 by Mr Kasturi Ali.</p> <p>i) The First aid training was conducted accordingly in Mill. Dated May 2020. All first aider was attended the training and understand as per interview verification.</p> <p>j) The JKKP 8 record was available, JKKP 8/31268/2019 delivered to DOSH on 23/1/2020. No accident happen in Mill. One accident record for Gula Estate regarding harvesting area with 14 Day MC. (accident date 12/12/2019) HIRARC review was on 14/12/2019. SOCSO</p>	

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		claim on 18/12/2019. Evidence of claim received was on 9/1/2020 referred voucher no D4200306/2020.	
<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.  <b>- Major compliance -</b>	The Social and Human Rights Policy is available in the office notice board signed by Mr. Goh Wei Lei, Executive Chairman dated 2/1/2019. The methods used to communicate the policy are by briefing during muster call and display at notice boards.	Complied
<b>4.4.5.2</b>	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.  <b>- Major compliance -</b>	The Social and Human Rights Policy is available in the office notice board signed by Mr. Goh Wei Lei, Executive Chairman dated 02.01.2019.  It is stated that the company will 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. Based on the interview with the workers, there has been no experience of any form of discrimination.	Complied
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.  <b>- Major compliance -</b>	For local, a standard format of appointment letter is available (version 2. 01/19). For foreign workers, employment contract (version 1. 01/19) is used. Based on the agreements, it was noted that the employees' pay and conditions meet legal or industry minimum standards.	Complied

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4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	There are no contractor workers in ME POM and Ladang Gula POM.	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	Lists of workers and staff were available at both visited mills. The list consists the information about name, gender, DOB, IC/Passport No., passport expiry date, work permit expiry date, designation and date of join.	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>	The employment contract is available and signed by both employee and employer. All the sampled employment contracts and appointment letters were signed by the employees.	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p><b>- Major compliance -</b></p>	Punch card is used to record the working days and overtime of all workers. Verification of the check roll confirm that the working days and overtime is tally with the payslips.	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective</p>	The break time is stated in "Butir-butir Syarat-syarat Pekerjaan" i.e. 1100-1200 hr of 0730-1630 working hours.	Complied

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	<p>agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p><b>- Major compliance -</b></p>	<p>Verification of payslips and time recording system (punch card) showed that the overtimes were paid accordingly.</p>	
<b>4.4.5.9</b>	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>Based on samples, all wages met the minimum standard and employment contract.</p>	Complied
<b>4.4.5.10</b>	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p><b>- Minor compliance -</b></p>	<p>Other form of social benefits as sighted in the pay slip including company's contributions of EPF, SOCSO and EIS. Medical care and health provisions also provided for entire work force.</p>	Complied
<b>4.4.5.11</b>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p><b>- Major compliance -</b></p>	<p>The workers are provided with free housing and electricity and water supply. Weekly inspection is done, and reports were available for verification.</p>	Complied
<b>4.4.5.12</b>	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>Policy established as Social and Human Rights Policy; Signed by Executive Chairman (Goh Wei Lei); Date: 2/1/2019. Stated to provide workplace free of violence and sexual harassment whether directly or indirectly against all employees and stakeholders. Also referred to the Definition of Sexual Harassment; Ver. Control: 1.00; Date: 29/8/2018; Rev. -; Source: ILO. To-date, there have been no report related to sexual harassment or violence. There has been no</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		complain with regards to sexual harassment so far at both visited mills.	
<b>4.4.5.13</b>	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.  - Major compliance -	There is no restriction of worker to form any trade union or workers committee e.g. at Ladang Gula POM, there are 25 members of NUPW.	Complied
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.  - Major compliance -	Established as Social and Human Rights Policy; Signed by Executive Chairman (Goh Wei Lei); Date: 2/1/2019. Stated prohibit employment by coercion. Children and young persons shall not be employed or exploited, the minimum age shall comply with local state and national legislation. Based on the employee master lists at all the visited estates, there was no evidence that children or young persons have been recruited.	Complied
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.  - Major compliance -	The mill has established the training program and documented in Safety and Health Program FY 2020: Mill under section training. The training program was done based on the training need analysis conducted and reviewed on annually basis.	Complied

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4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>The mill has conducted the training need analysis to determine the training requirement for the management, employee and contractors and documented in Training Need Analysis, Plan and Implementation 2020. The analysis was conducted on annually basis.</p>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p>	<p>The estates visited has established training program which reviewed and updated on annually basis and documented in SOP training program and Safety and Health Program FY 2019: Field. Training record:-</p> <p>Awareness to Corona Virus training on 19/3/2020            Safety working procedure for replanting on 24/8/2019            Emergency response training 24/8/2019            Tractor safety driving training 15/3/2020            PPE training and spraying training on 26/3/2019            Premix safety training on 8/10/2019            Safety signage training on 22/4/2020            PPE guidelines training on 18/7/2019            Application fertiliser training on 15/4/2020            Chemical safety and hazard training 14/3/2019            Fit test chemical training on 25/2/2019</p>	Complied



Criterion / Indicator		Assessment Findings	Compliance
		Gula Estate POM Training on Safety work in workshop dated 25/6/2020 Training on Air Lock in Kernel area dated 17/6/2020 Training on Forklift safety dated 17/6/2020 Fire Fighting Training dated 23/4/2019 First Aid Training dated 23/12/2019	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. <b>- Major compliance -</b>	NSOP Berhad has established the Environmental Policy signed by the Executive Chairman dated 2/1/2019. The policy stated the Company commitment in protecting the environment and ensure necessary effort is taken to reduce the impact on the environment from the estates and mill operation in line with EQA 1974 and other applicable laws and regulations. The policy was communicated to the employee through training, tool box meeting and displayed at the designated notice board in the mill.	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <b>- Major compliance -</b>	Maran POM The mill has conducted the aspects and impacts analysis of all operations and documented in the Environmental Aspect Impact Assessment Guidance for Maran Palm Oil Mill. The mill has established environmental management plan base on the aspect	Complied

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		<p>and impact analysis conducted. The management plan was reviewed on annually basis. Latest review was conducted on 13/5/2019.</p> <p>Sighted the implementation of the management plan as follows:</p> <ol style="list-style-type: none"> <li>1. Sighted River water analysis BVAQ Reference: 20-65960a dated sampling on 4 March 2020 to monitoring and prevent pollution of surface and groundwater for Sg Chedong and Sg Maran.</li> <li>2. Online environmental report (OER) was been done periodically report to DOE. Latest record was available for 1 June 2020. The POME that release to the water stream was according to DOE recommendation.</li> <li>3. The waste disposal as per Jadual Pematuhan was recorded accordingly. All efb and decanter cake disposed as mulching in field. For year 2019 total disposal recorded 23,861 Mt in estate field.</li> </ol>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The mills visited has established the environmental plan based on the aspects and impacts analysis conducted and documented in the Environmental Aspect Impact Assessment for Estate. The management plan was established for the activity which give significant impact for the environment. The management plan were reviewed annually basis.</p>	Complied

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4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>The mill has established environmental management plan base on the aspect and impact analysis conducted include the program to promote the positive impacts as follows:</p> <ul style="list-style-type: none"> <li>i. Mulching EFB within estate</li> <li>ii. Disposal of boiler ash and decanter solid within estate</li> <li>iii. Parameter of final discharge POME within limit</li> <li>iv. Provide transparent information about quality of environment to stakeholder</li> <li>v. Shell and fibre wastes are used as fuel for steam production</li> </ul>	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p><b>- Major compliance -</b></p>	<p>The Mill has established the training program documented in the Safety and Health Program FY 2020 and Environmental Planner FY 2020. The training plan was reviewed on annually basis.</p>	Complied
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>Environmental Performance Monitoring Committee (EPMC) meeting conducted on 26/6/2019. The meeting attended by management and workers representative to discuss about the environmental quality. For Environmental Regulatory and compliance Monitoring Committee (ERCMC) meeting was done on 8 August 2019.</p>	Complied
<p><b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy</p>			

Criterion / Indicator		Assessment Findings	Compliance
<p><b>4.5.2.1</b></p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p><b>- Major compliance -</b></p>	<p>The mills visited monitored the consumption of the non-renewable energy on monthly basis. The monitoring was done base on the type of the energy usage.</p> <p>The mills has established plan to assess the usage of non renewable energy and documented in the Energy optimization Plan. The plan stated the issue, action plan, person responsible, timeline and status of the implementation.</p> <p>Sighted the sample monitoring records for diesel usage and turbine FY 2019 as follows:</p> <p>Maran POM            Diesel usage: 223,438 liter            Electricity usage: 351,372 kWh</p> <p>The usage of electricity was reduce from the previous year around 24%. Previous record was 462,390 kWh.</p> <p>Gula POM            Diesel usage: 80,662 liter            Electricity usage: 747,753.44 kWh</p> <p>The usage of electricity was reduce from the previous year around 12%. Previous record was 843,244.76 kWh.</p>	<p>Complied</p>

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4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. <b>- Major compliance -</b>	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	From the monitoring and interview with the management, the mill consume the shell and fiber as boiler fuel.	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	<p>Maran Mill</p> <p>The mill has identified all waste and source of pollution and documented in the List of Waste Identified. The list was reviewed on annually basis. The latest review was done on 12/5/2019. The waste identified as follows:</p> <ul style="list-style-type: none"> <li>i. Industrial waste – Scrap Iron</li> <li>ii. Scheduled Waste – SW110, SW 305, SW409, SW410</li> <li>iii. Domestic Waste – Wet waste, kitchen waste, garden waste, sanitary waste, dry waste</li> <li>iv. Solid waste – EFB, Shell, Boiler Ash, Decanter Solid</li> </ul>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.5.3.2</b> A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution.</li> <li>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</li> </ul> <p><b>- Major compliance -</b></p>	<p>The mill has established and documented Waste management Plan for Estate and Mill. Management plan was done base on the type of waste identified in the List of Waste Identified. The plan was reviewed on annually basis. Latest review was conducted on 16/5/2019. The plan stated the Issue identified, management action, period of monitoring and person responsible.</p>	<p>Complied</p>
<p><b>4.5.3.3</b> The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>NSOP Berhad has established Standard Operating Procedure for handling of used chemicals and documented in MSPO Procedure Title: Waste Management; Ref. no. MSPO-05; Rev. 00; Date: 1/7/2018 under title Scheduled Waste Disposal Flow.</p> <p>The Inventory of scheduled waste file reference no: A31/152/000/014 for May 2020. From the inventory was available for SW 305, 322 and 410.</p> <p>The disposal was done by SL Recycling (M) Sdn Bhd (Kanthan). Sampling the consignment note for SW 305 No: 2019123115U3BZKC dated 31/12/2019. The license of SL recycling (M) Sdn Bhd (license no: 004194) available for review. The competent person available in Gula estate POM (no Siri: CePSWaM/185300). However sighted issue as per below:-</p> <ol style="list-style-type: none"> <li>1. In Maran Estate POM, Found SW 322 was not been notify to DOE and not recorded in inventory accordingly.</li> </ol>	<p>Non-conformity</p>

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		<p>2. In Gula Estate POM, empty chemical container and used spill kit was sighted at boiler ash dumping area. During interview with workers, they stated spill kit that been used will be dispose as normal waste not as scheduled waste.</p> <p>Thus Minor NC been issued.</p>	
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>The domestic waste were collected by the estate twice a week and dump at designated area before collected by the municipal collectors. Sighted the records of rubbish collection in Estate Vehicle Work Distribution.</p>	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>The assessment of all polluting activities has been conducted and documented in the GHG Management Plan and waste management Plan. The assessment was reviewed on annually basis. Latest review was conducted on Jan 2020 (Gula POM) and Jan 2020 (Maran POM). This plan can referred under document MSPO-P5-3.</p>	Complied
<b>4.5.4.2</b>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Mills visited has established management plan to reduce the significant pollutants and documented in the Greenhouse Gases Management Plan. In the GHG Management Plan stated the Source of GHG, Impacts, Mitigation Measures, Action Taken, Status, Timeline and PIC. The action plans can be review under document MSPO-P5-3</p>	Complied
<b>4.5.4.3</b>	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the</p>	<p>The POME was treated according to regulation, the evidence was verified as per quarterly return form for Online Environmental Report (OER) file reference number: A31/152/000/014. The result</p>	Complied

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	respective state and national policies and regulations. <b>- Major compliance -</b>	show the BOD (Biological Oxidation Demand) was low than 100mg/L (48mg/L).	
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <b>- Major compliance -</b>	NSOP Berhad has established SOP for riparian buffer zone and documented in Establishment and Management of Riparian Zone. Refer document no Gap-1 dated 1/1/2019.  The estate also follows guidelines from MPOB for "Mengenalpasti kawasan rezab sungai dalam ladang" Refer letter no (3)04/C/PD/87/2 dated 28/9/2009. The water management plan:- <ul style="list-style-type: none"> <li>a) The water source was from Sg Chedong and Sg Maran, This water was use as in process and use as consumption.</li> <li>b) Sighted River water analysis BVAQ Reference: 20-65960a dated sampling on 4 March 2020 to monitoring and prevent pollution of surface and groundwater for Sg Chedong and Sg Maran.</li> </ul> The management keep up the maintenance and try to reduce water leakage in mill and reuse water for mill cleaning.	Complied
<b>4.5.5.2</b>	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.	Effluent generated were disposed as prescribed under "Jadual Pematuhan".	Complied



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	- Major compliance -	Regular monitoring was done on monthly basis and every quarterly via Online Environmental Report (OER) to DOE for compliance. Latest record was on June 2020	
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  - Major compliance -	NSOP Berhad (Sin Thye Management Sdn. Bhd) has established the Standard Operations Procedure for Palm Oil Mill, version 3 released 2019.  The monitoring was done by the Chief Operating Officer during his visit on quarterly basis and record show the visit last on 18-19 May 2020.	Complied
<b>4.6.1.2</b>	All palm oil mills shall implement best practices.  - Major compliance -	As per site verification and as per Chief Operating Officer report showed that the mills operation were conducted base on the SOP established.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.  - Major compliance -	The mills visited have established 10 years business plan as guidance for the mill to conduct the daily operation and expenditure. The business plan was documented in 10 years production, expenditure and profit/loss projection 2019 – 2028.No changes during this audit. Items stated in the business plan as follows:  i. Hectare statement	Complied

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		ii. FFB yield/ha and Total Production by age iii. FFB Production and FFB purchase (FFB, CPO, PK, OER, KER) iv. Production cost v. Cost/ha and Cost/tons vi. Dispatch (CPO and PK) The capital expenditure was documented in Financial Year Proposed Capital Expenditure (CAPEX).	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - <b>Major compliance</b> -	Pricing mechanism is guided by NSOP Policies Manual, Feb 2006, Chapter 6.0 Procurement, Ver. 1.0. Sampled PO #39862 at Ladang Gula POM, dated 6/11/2019 after approval of tender on 5/6/2019 for repairing CPO storage tank.	Complied
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - <b>Major compliance</b> -	All the appointed contractors have signed their respective contract agreements with NSOP. Based on sampled vouchers, the payments were made in timely manner.	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - <b>Major compliance</b> -	The contractors were made to understand the MSPO requirements through stakeholders meeting. Records of meetings were maintained for verification.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Copies of the signed contract agreement were available for verification.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. <b>- Minor compliance -</b>	There is no objection by the management to accept MSPO approved auditors to verify the assessments through a physical inspection, if required.	Complied

**Appendix B: List of Stakeholders Contacted**

<p><b>Government Officer:</b> Balai Polis Nenas</p>	<p><b>Community/neighbouring village:</b> Merchong Estate (IOI) SJK(C) Maran Ikatan Rimbun Sawit Sdn Bhd SK Maran Kg Orang Asli Batu 55 Kg Berkat Branch Secretary NUPW SJK(T) Ladang Gula</p>
<p><b>Suppliers/Contractors/Vendors:</b> Tian Yeek Guan (contractor) Hasbollah B Johari (contractor) AMP (contractor) Shanmugam (contractor) Tan Yee Boon (contractor) JCE (contractor)</p>	<p><b>Worker's Representative/Gender Committee:</b> Estates workers Mills workers</p>

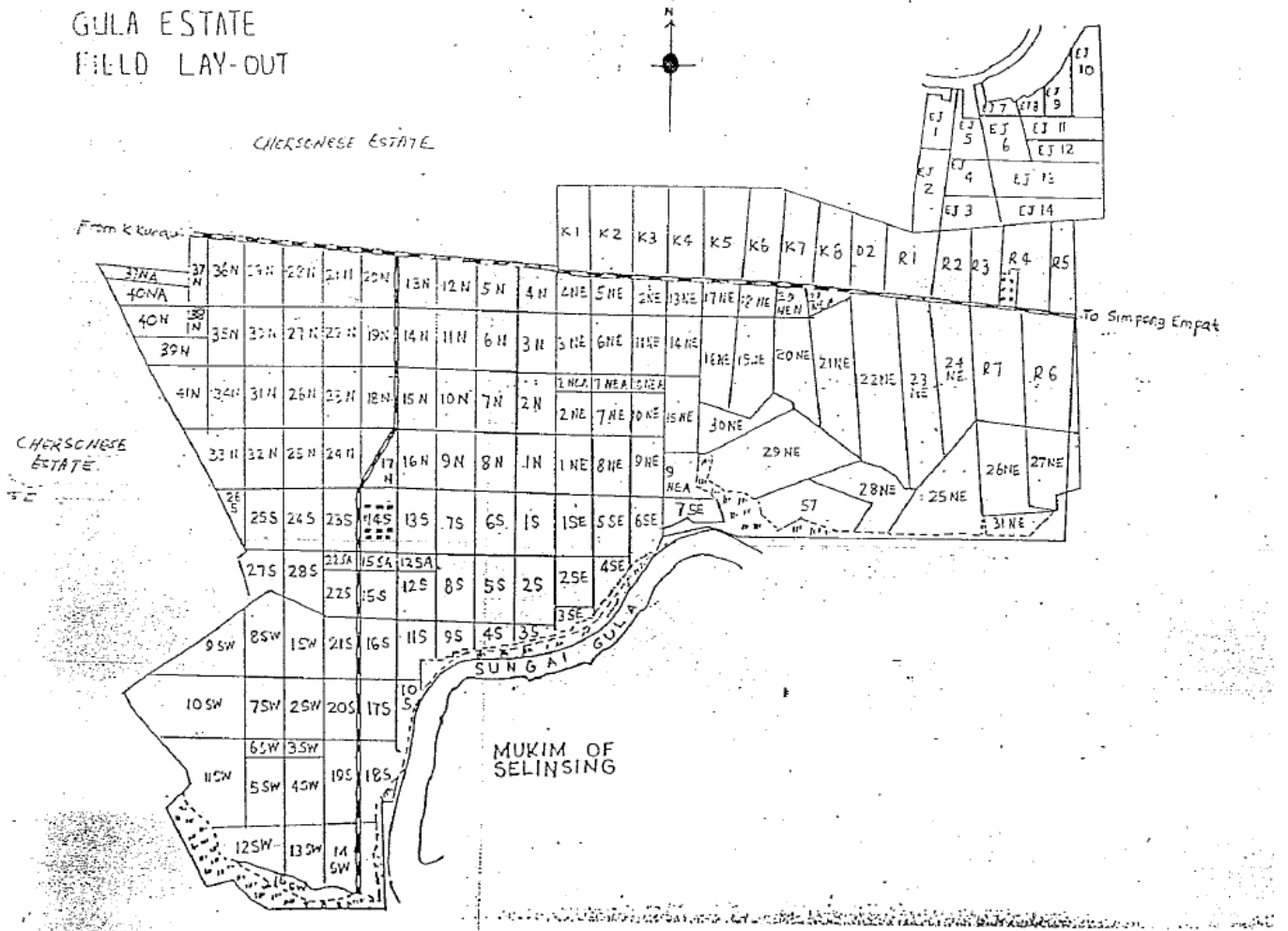
**Appendix C: Smallholder Member Details**

Not applicable.

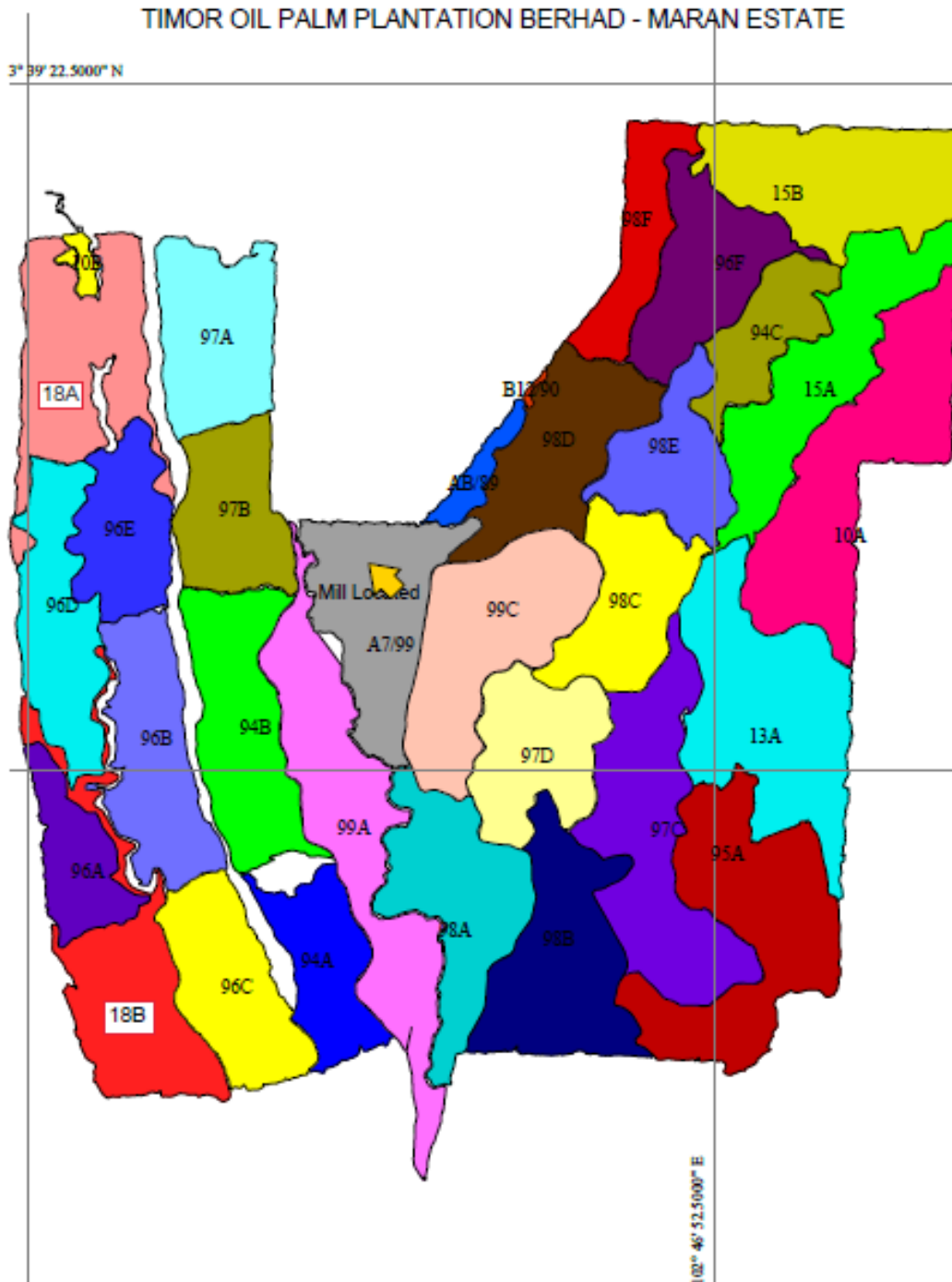
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
1	NA					
2						
3						
4						
5						

**Appendix D: Location and Field Map**

**Gula Estate**



**Maran Estate**

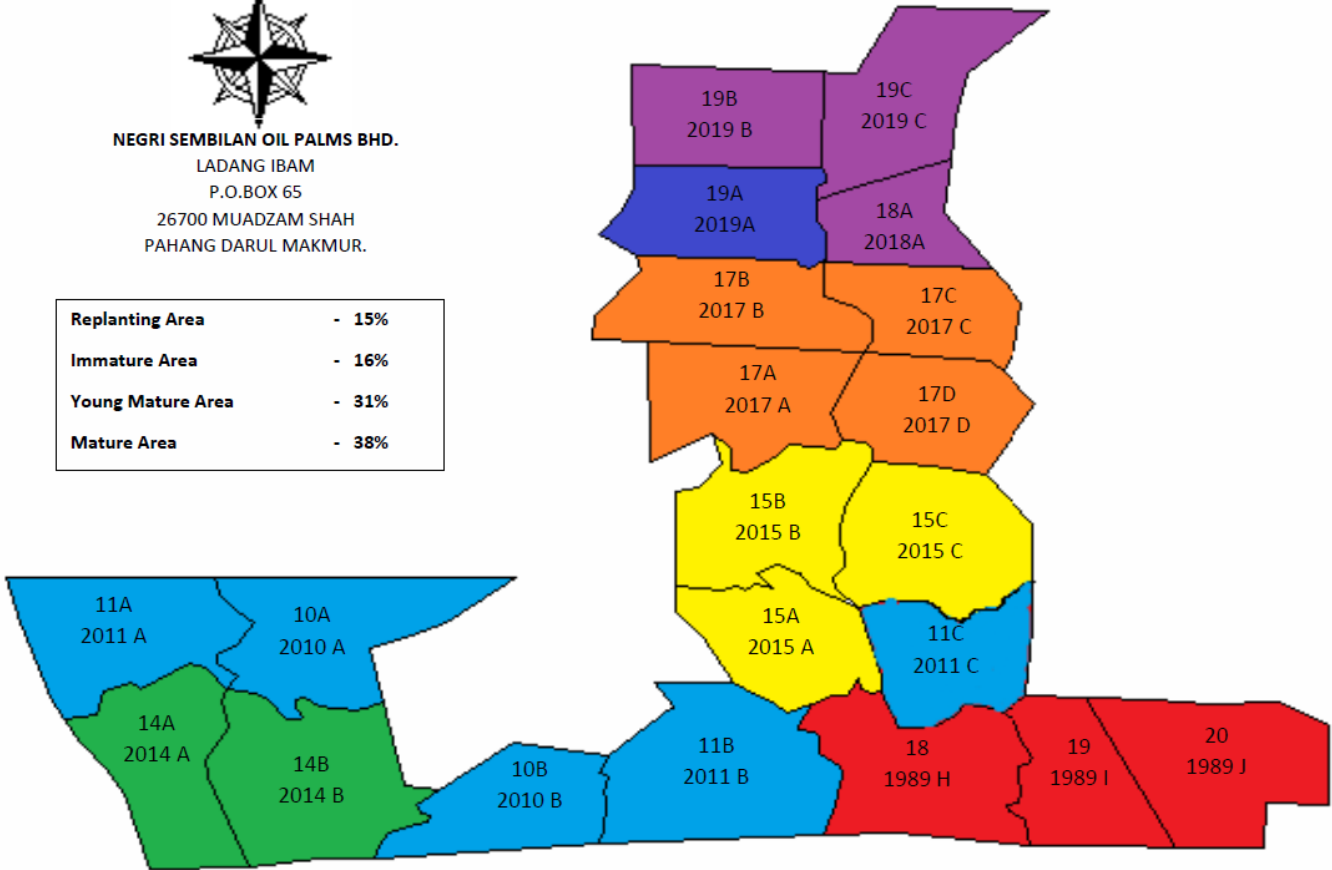


**Ibam Estate**



**NEGRI SEMBILAN OIL PALMS BHD.**  
LADANG IBAM  
P.O.BOX 65  
26700 MUADZAM SHAH  
PAHANG DARUL MAKMUR.

<b>Replanting Area</b>	- 15%
<b>Immature Area</b>	- 16%
<b>Young Mature Area</b>	- 31%
<b>Mature Area</b>	- 38%





**Appendix E: List of Abbreviations**

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure