Malaysian Sustainable Palm Oil (MSPO)
Audit Summary Report

Organization:	**Sarawak Green Plantation Sdn. Bhd.**		
Address:	**Headquarters (HQ)** 7th Floor Crown Towers, 88 Jalan Pending, 93450 Kuching, Sarawak. Contact person.: Ms Adeline Lau (Director) Mr William Tham (Assistant Manager) Contact No.: 082-345033 **Estate Address** Lot 2 Block 6 and Lot 3 Block 9, Rasan Land District 98000, Bintulu, Sarawak.		
Standard(s):	**MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders**	**Accreditation Body(s): STANDARDS MALAYSIA**	
Representative:	Ms Adeline Lau (Director) Mr William Tham (Assistant Manager) Mr Lim Wui Phen (Senior Administration Manager)		
Site(s) audited:	**Sarawak Green Plantation Sdn. Bhd.**	**Date(s) of audit(s):**	**6th September 2019**
EAC Code:	**Nil**	**NACE Code:**	**Nil**
No. of Employees:	**132**	**No. of Shifts:**	**Normal 1 shift**
Lead auditor:	**Abdul Khalik Bin Arbi (AKA)**	**Additional team member(s):**	**Jeffrey Denis Ridu (JDR)**

1. Audit objectives

The objectives of this audit were:

to confirm that the management system conforms with all the requirements of the audit standard;
to confirm that the organization has effectively implemented the planned management system;
to confirm that the management system is capable of achieving the organization's policy objectives.

2. Scope of certification

The audit covered one site performing certification scope:

Production of Fresh Fruit Bunches (FFB) for Plantations in compliance to the MSPO Certification Standard MS2530-3:2013 Part 3: General Principles For Oil Palm Plantations And Organized Smallholders.

The audit covered the MS 2530:2013 requirements particularly MSPO Certification Standard **MS2530-3:2013 Part 3**

Validation of processes for production and service provision

Has this scope been amended as a result of this audit? ☐ Yes ☑ No

This is a multi-site audit and an Appendix listing all relevant sites and/or remote locations has been established (attached) and agreed with the client ☑ Yes ☐ No

3. Current audit findings and conclusions

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives required by the standard(s). The audit methods used were interviews, observation of activities and review of documentation and records.
The structure of the audit was in accordance with the audit plan and audit planning matrix included as annexes to this summary report.

The audit team concludes that the organization ☒ has ☐ has not established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 3 Major 0 Minor

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

☒ Granted / ☐ Continued / ☐ Withheld / ☐ Suspended until satisfactory corrective action is completed.

4. Previous Audit Results

The results of the last audit of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address any nonconformity identified. This review has concluded that:

☐ Any nonconformity identified during previous audits has been corrected and the corrective action continues to be effective.

☐ The management system has not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

5. Audit Findings

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives. The audit methods used were interviews, observation of activities and review of documentation and records.

The management system documentation demonstrated conformity with the requirements of the audit standard and provided sufficient structure to support implementation and maintenance of the management system. ☒ Yes ☐ No

The organization has demonstrated effective implementation and maintenance / improvement of its management system. ☒ Yes ☐ No

The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement.		☒ Yes	☐ No
The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system.		☒ Yes	☐ No
The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system.		☒ Yes	☐ No
Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard.		☒ Yes	☐ No
Certification claims are accurate and in accordance with SGS guidance	☒N/A	☐ Yes	☐ No

6. Significant Audit Trails Followed

The specific processes, activities and functions reviewed are detailed in the Audit Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

Organization:	**Sarawak Green Plantation Sdn. Bhd.**		
Address	Lot 2 Block 6 and Lot 3 Block 9, Rasan Land District 98000, Bintulu, Sarawak.		
MPOB License No.:	MPOB Licence 596045002000 size register 3,523.2 ha	**Expiry date:**	01/04/2019 – 31/03/2020
Scope of Licence Activity:	*Menjual dan Mengalih FFB#*	**Next Audit Plan**	**June 2020**
Visit Number:	**02 (Stage 2)**	**Actual Visit Date:**	**6th September 2019**
Visit Due by Date:	**Nil**	**For auditor information only**	
Lead Auditor :	Abdul Khalik Bin Arbi (AKA)		
Audit Member	Jeffrey Denis Ridu (JDR)		
Additional Attendees and Roles	Nil		
Standard(s):	**MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders**		
Audit Language:	English & Malay		
Audit Scope:	1.The audit covered Three (3) site performing the following scope: Operations, comprising of management systems, process of Fresh Fruit bunches (FFB), documentation and site assessment.		

Audit Plan

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
6th September 2019	7.00am 8.00am	AKA & JDR	Depart from Kuch Airport to Bintulu Airport Arrived at Bintulu Airport	Estate Personnel
	8.00 am	AKA & JDR	Depart to Sarawak Green Plantation Sn Bhd Estate Arrive at Estate Opening Meeting Audit Process (Site Visit) • Principal 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principal 4: Social responsibility, health, safety and employment condition • Principal 5: Environment, natural resources, biodiversity and ecosystem services • Principal 6: Best Practice • Principal 7: New Development of New Planting	Estate Personnel
	12.30pm	AKA & JDR	Lunch	
	1.00pm	AKA & JDR	Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	4.00pm	AKA & JDR	Preparation for closing	
	5.00pm	AKA & JDR	Closing Meeting	
	6.00pm	AKA & JDR	Depart to Bintulu Airport	

Location and Maps

The GPS locations of the state are shown in Table 1.

Table 1: GPS Location

	Estate	Coordinates	Total Hectare (ha)	Total Planted Area (ha)
1	Sarawak Green Plantation Sdn. Bhd.	N 3.1512522 E 113.761194	3,523.2	3,105.17

Description of Estate Production

The FFB are sourced from the estate which are individually managed by Sarawak Green Plantation Sdn. Bhd. The crop yield from this estate is mention in **Table 2** below.

Table 1: FFB Production

Month	**Sarawak Green Plantation Sdn. Bhd.**	
	2018 (Actual)	**2019 (Projection)**
Total	22,022.13	30,438.31

Stakeholder Consultation and List of Stakeholders Contacted

A public announcement was made 30 days prior to the audit.
https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/sarawak-green-plantation-sdn-bhd

Stakeholder consultation took place in the form of meetings and interviews. Due to this is the pilot main assessment, meetings with stakeholders were held in the respected estate office. Detail can be referred to **Appendix 2:**

Comment on MS2530-3 Compliance Status:

Comment on Principle 1	Policy on Implementation of MSPO – An MSPO Policy covering Safety & Health, Good Social Practices, Harassment and, Violence Prevention and; Environmental, Sustainability and Continuous improvement was prepared and signed by the Director, Ms Adeline Lau, dated 2nd January 2019 and has been communicated to all levels of work force and stake holders. In the MSPO Policy, it was covered, a) Safety & Health b) Good Social Practices c) Harassment and Violence Prevention d) Environment Based on interview with estate staff name: 1. Staff A 2. Staff B (Field Conductor) Both of them aware regarding the policies. Sustainability and continuous improvement were also included in the above MSPO Policy. Internal Audit MSPO internal audit procedures prepared and signed and approved by Ms Adeline Lau on 10th January 2019 with Document Reference No.: SGP-03-TM01REV0. The Internal Audit to be conducted at least once a year or whenever deemed necessary by management. First Internal Audit was performed on 4th July 2019. Based on the Audit Summary Report 5 findings was recorded. Mechanism of follow up activities established and verified in the Corrective Action Report file. Internal Auditors team have been appointed headed by Mr. Lim Wui Phen as Lead Auditor by Mr. Lim Wui Phen. The team audit member can be verified in Management Review Report File. Management Review – Management Review meeting was conducted on the 5th July 2019 chaired by Ms. Adeline Lau (Director, Chairman) attended by all MSPO Committee

	members and invited members. Agendas and minute of the said meeting was viewed in file (Ref. SGP/MRR/19/01/01); the Audit Report was tabled and conformance and non-conformances reported. Results of CAR (Ref.: Control No:SGP/MRR/19/01/01) was viewed where corrective action have already been made on all the 5 findings as reported by Lead Auditor 4th July 2019. <u>Continual Improvement</u> - It was sighted the action plan for continual improvement was based on consideration of the main social and environmental impact and opportunities of the company. By that Training matrix of all the relevant staffs was prepared in order for them to carry their duties better for Harvesting, Field Conductor, Manuring Fertiliser, Chemical Sprayer and Workshop.
Comment on Principle 2	<u>Transparency of information and documents relevant to MSPO requirements</u> It was observed the management was communicate the information by the relevant stakeholders in appropriate languages and forms. As evidence, the management communicate with relevant stakeholders by conduct stakeholders meeting on 4.12.2018, time: 3.00 pm. Which attend by External (38 attendees). **<u>4.12.2018</u>** Attend by Internal (17 attendees), Among of the attendees list as follow: 1. Ranger Anak Moos (Bomba Zon 5) 2. Mahmudin Narudin (Bomba Zon 5) 3. SIA How Kit (S&L) All of the stakeholders have invitation letter from the estate management. As an evidence, some of the stakeholders list name as below: 1. Teknologi Enviro-Kimia Sdn Bhd, dated 28th Nov 2018 2. KTS Trading, dated 28th Nov 2018 3. Jabatan Keselamatan & Kesihatan Pekerjaan (JKKP) – Bintulu, dated 18th November 2018. 4. Natural Resources & Environment Board (NREB) – Miri dated 28th Nov 2018 All the document can be verified in Stakeholders File B01. <u>Transparent method of communication and consultation</u> It was observed the procedures for consultation and communication with relevant stakeholders was available in the site office management, with Document name: Transparent Method, Document Ref: SGP-03-TM03REV0 latest update 1st Oct. 2018. Appointment letter for MSPO Designated person was made available with document ref: SGP-01-TM04REV0. The appointment letter was sign by Ms Adeline Lau (Director), dated 10th October 2018. Based on appointment letter, social liaison officers were appointed to three persons name: i. Liza anak Baba (In-charge)

	ii. Ruhinah Darawanding (Assistant) iii. Suzenely Emyza Ngindang (Assistant) <u>Traceability</u> Standard Operating Procedures on Traceability was available with Document ref no.: SGP-03-TM04REV0. The record of the FFB Delivery Note, Tractor Delivery Note, Harvesting Transaction details and weighbridge ticket, the record was made available in estate record. The management had taken necessary action to make sure the traceability system in place such as conduct traceability system inspection. Appointment letter for MSPO Designated person was made available with document ref: SGP-01-TM04REV0. The appointment letter was sign by Ms Adeline Lau (Director), dated 10th October 2018. Based on appointment letter, Traceability officers were appointed to three persons name: i. Peter anak Bagai (In-charge) ii. Tindit Bulit (Assistant) iii. Jee Siaw Yien (Assistant) All the inspection records were recorded in Traceability System Inspection. Sampled taken as below: Estate 1 Division 1 Delivery Date: 17th February 2019 Inspected Crop Delivery (MT): 23.29 Mt Time of Inspection Started: 8.00 am Time of Inspection Completed: 11.00 am Estate 1 Division 2 Delivery Date: 17th February 2019 Inspected Crop Delivery (MT): 68.33 Mt Time of Inspection Started: 8.00 am Time of Inspection Completed: 11.00 am Estate 1 Division 3 Delivery Date: 17th February 2019 Inspected Crop Delivery (MT): 68.62 Mt Time of Inspection Started: 8.00 am Time of Inspection Completed: 11.00 am
Comment on Principle 3	<u>Regulatory requirements</u> The company personnel are generally quite knowledgeable on the applicable laws and regulations pertaining to oil palm plantation development and operations. All the laws and regulations relevant to oil palm plantation are listed and filed Legal Requirement File C01. The updating of the Legal Requirement Register for Sarawak Green Plantation is the responsibility of Mr Lim Wui Phen by monthly basis. <u>Land Use Rights</u>

	All the Land Titles were made available where the land use terms and conditions are for the agricultural purposes and purposes incidental to the production and processing of crops grown thereon. Land Titles in total 3,523.2 ha It was observed the Sarawak Green Plantation Sdn Bhd was operation in Provisional Lease of State Land – C, TRN: 09-LCLS-040-006-00002 (1,250.4 ha) and TRN: 09-LCLS-040-009-00003 (2,272.8 ha) which registered under Agro Forest (Sarawak) Sdn Bhd and The Board of Trustees of The Sarawak Foundation and operate under MPOB Licence: 503244202000 (3,523.2 ha) period: 01/04/2019 till 31.03.2020. <u>Customary Rights</u> No customary rights claim on the said company's land.
Comment on Principle 4	<u>Social Impact Assessment (SIA)</u> It was observed the Social Impact Assessement (SIA) report was available during the document assessment name Sarawak Green Plantation Sdn Bhd Estates, Social Impact Assessment Summary Report, July 2019. Based on interview with personnel in charge for social impact assessment, Ms Suzenely Emyza Anak Ngindang. The questionnaire was design to collect information, anaylsed and study in order to provide reliable results and interpretation. The questionnaire is using Bahasa Melayu language because this is the official language spoken and used in Malaysia and Indonesia. In this questionnaire is categorized inti three main parts as follows: • The general information of the selected workers, • To classify the workers working status • Workers opinions and perceptions to define the awareness level of the workers towards this project. Example information required in the questionnaire as follows: ✓ *Jantina* ✓ *Umur* ✓ *Asal* ✓ *Bangsa* ✓ *Agama* ✓ *Tahap Pendidikan* ✓ *Pengalaman Bekerja* ✓ *Jenis pekerjaan* ✓ *Berapa lama sudah bekerja dengan syarikat* ✓ *Jenis pembayaran gaji dan upah* ✓ *Pendapatan selain gaji pokok/ jenis elauan* ✓ *Gaji* ✓ *Waktu bekerja harian* ✓ *Cuti tahunan* ✓ *Cuti sakit* ✓ *Kebaikan penhajian* ✓ *Bayaran gaji* ✓ *Persepsi dan pendapat* Based on the SIA report, the company concludes that the data analsyis on the survey helped to understand more on their employees 'opinion and perspective. Moreover, employees are the intangible asset of the company, hence paying more attention to their employee's opinions and

tactfully deal with will be one of the effective and efficient methods to generate a more harmonious working environment for the employees and increase the company advantage competitive.

Besides, this also helps to promote positive impact and mitigate the negative impact of project development identification completed through this survey. Furthermore, it not only increases work opportunity, understand employee requirements but also improve employees' benefits. Lastly, it also reduces the miscommunication and misunderstanding between employees and company.

Complaints and grievances

The Grievance and Complaint form was made available at the front of estate office. SOP for complaints and grievances procedure was made available in the estate, with reference Document No.: SGP 03 SR02REV0 with date updated in 1st July 2018.

It was sighted 2 complaints was made by the complainer during audit, which made by same person name Rezki. The issues raised by the complainant will be

1. assessed by social liaison officer
2.Investigation to be done
3.Develop Action to be taken
4.Implementation

Example sighted complain by:

1. Rezeki was sighted dated 25.06.2019 on *Keadaan di bahagian "Chemical Mixing" kotor dan ada sampah sarap seperti bekas bekas racun yang tidak dibuang dengan baik. Terdapat juga bekas-bekas didalam bilik persalinan dan lantai juga tidak dibersihkan selepas percampuran racun dilakukan.* From record, action has been taken immediately, the closing of the complaints was done on 26.06.2019 by the complainer. Both of the complaint was done on the same issue, but at different location area.

Both complaints were closed accordingly.

It was observed the complaint form was available at the site office. The manager will be responsible to check the complaint box.

Based on interview Clerk, she aware regarding the SOP for complaints and grievances procedure and can make anytime.

Commitment to contribute to local sustainable development

Currently there was no record of the CSR with the local communities.

However, CSR for year 2018 was available as follows:

1. *Sumbangan derma untuk* Hendry Ak Jonathan Kedu on 24.11.2018.
2. Frozen beef for *Raya Qurban* on 22.08.2018
3. Transportation to school was available for staffs children.
4. Donation to SK Suai : April 2018

From record, there is no nearby communities' settlement surrounding the area.

Sarawak Green Plantation Sdn Bhd instant neighbour is the other KTS subsdiaries estate such as Gayanis Estate, Wawasan, Sawai Lot 87 (BLD), Gayanis Mill.

Employees safety and health

	Safety policy was include in MSPO policy which is sign by top management Mdm Adeline Lau Kor See (Director) dated 2nd January 2019. Safety and health policy was documented, communicated via display at the notice board and implemented at this estate. It was observed the safety policy was display at the site office, workshop and chemical store. Safety & Health Plan sighted at Sarawak Green Plantation Estate Site Office 1.Safety Training 2.Safety Meeting Minute /Safety Committee 3.SOP Chemical Handling 4.Medical Surveillance etc Based on interview with Staff A, Staff B and Staff C, all of them aware regarding the safety and health policy. The occupational safety and health plan were cover the following: a) Safety policy was include in MSPO policy which is sign by top management Mdm Adeline Lau Kor See (Director) dated 2nd January 2019 b) HIRARC for Sarawak Green Plantation Sdn Bhd was sighted with estate operation risk assessment was available such as 1. Field Supervision 2. Pruning/ Slashing 3. Manuring 4. Spraying 5. FFB Transporting/ workers 6. Scheduled waste store c) Annual training programme for Year 2019 was made available. The training list as below: i. Social Awareness ii. Best Practices Awareness/ Field Operation iii. General Safety & Health iv. Emergency Response Awareness v. Environmental. Example of training conducted was on 1.07.2017 regarding Safety and health, environment, Social and best practices. Trained by Mr David Galau, Mr Jee Siaw Yien and Mr Syarilee Benedict. d) Appropriate Personal Protective Equipment (PPE) issuance and replacement record, It was observed the Management had issuance of Personnel Protective Equipment (PPE) to the workers. Record sighted: PPE Issuance to sprayer Estate 1 Division 1. List of 18 sprayer was sighted with PPE given (rubber boots, google, rubber glove, mask & apron) Chemical inventory and SDS was sighted. Example: SDS observed : Garlon 250 EC Herbicide, Dated: 12.09.2016 e) SOP for chemical handling was sighted : SGP-03 SHO6REV0), date updated 3rd January 2019. Content in the Chemical Handling Procedure as

follows:

- ✓ Purpose
- ✓ Scope
- ✓ Definations
- ✓ Role & Responsibilities
- ✓ Procedure
  - Requesting of chemical
  - Chemical Storage
  - Chemical Transporting
  - Chemical Handling
  - Chemical Spillage
  -
- ✓ Records

f) Mr Syarilee Benedict: Person in charge of safety & Health for Sarawak Green Plantation estate. Example sighted perlantikan, Mr David Galau anak Dalat (Chairman) dated 28th June 2019.

g) Safety meeting Appointment letter for OSH committee was sighted.
OSH committee meeting was conduct on 28th June 2018 (Time: 7.00am) attend by 21 persons.

h) Accident and emergency response procedures
It was observed the SOP for Emergency Preparedness & Response was available with document : SGP-L3-SH05 was made available in the estate

i)Employee trained first aid :
1.Mr Lim Wui Phen : Expiry : 25th March 2020
2.Mr Peter ak Bagai : Expiry : 25th March 2020
3.Mr John Denver : Expiry : 25th March 2021
4.James ak Atom : Expiry : 25th March 2021
Location :
Office / General Store & Workshop
Last record inventory : 31/01/19

e) Accident report 2018 and 2019 (January) was sighted.

Major 1 (4.4.4.2)
Occupational safety and health aspect was found lacking. The hook holder of a fire extinguisher was found broken and it was improperly tied with metal wire to the wall at the genset area.

<u>Employment Conditions</u>
The management had established policy on good social practices regarding human rights in respect of industrial harmony. The policy was signed by the top management Ms Adeline Lau (Director) dated 10th October 2018.

It was observed the equal opportunity statement by the top management was include in the MSPO policy. As evidence Welfare Women Committee was form to ensure welfare of women in the estates take care and handle in equal.

	Based on the record Pay slip for the month of March 2019 for the estate workers list as below: From Record : Person In charge: Ms Suzenely Senior Clerk Record Sighted: 1. Worker A (C0806865), Worker No: 50013, General workers; Net pay: RM 1,610.86 2. Worker B (B7181137), Worker no: 50021, Harvester; Net pay: RM 2,917.97. 3. Worker C (AT233449), Worker No: 19865, Daily/piece rate worker; Net pay: RM 1,615.38 It was observed the estate management provided account of employees list as below: i. Name ii. Gender iii. Date of Birth iv. Address v. Passport number *vi. Warganegara* vii. Religion viii. Job description ix. Salary x. Working period xi. Holiday xii. Safety and health at workplace xiii. Insurance xiv. Others It was observed the *Kontrak Penggajian* for the estate was sighted. Sample as below: 1. Worker C (AT233449), Validity: 2019 - 2020 2. Worker B (B7181137), Validity: 2019 - 2023 3. Worker A (C0806865), Validity: 2019 - 2023 The contract agreement was signed by employee and estate management, witnessed by Labour clerk. A clause on updated minimum wage stated under item 2.2 : wage at RM 42.31 per day or RM 5.29 per hour. <u>Training and Competency</u> Annual training programme on safety and health for Year 2018 and 2019 was made available. Based on the training record, it was observed the Safety Operation was conduct in the estate which focus with workers operation. The training list as below: i. MSPO Training ii. Fire Fighting Demo iii. Fire emergency Demo iv. Fire emergency exercise (Fire Drill) v. First aid training vi. Workplace safety

	vii. Workshop safety viii. Tractor driver's safety and health training ix. Harvesting Tool Handling x. Chemical Handling, Sprayers safety & health Training xi. Fertilizers application & management xii. Women welfare committee (Sexual harassment policy and grievances procedure) xiii. Environmental Training xiv. Triple rinse xv. MSPO internal audit training. As evidence, there was several trainings was conduct in the estate: a. *Penjagaan Alam Sekitar* 24.11.2018, Time:6.15am – 7.00am, venue at Gayanis estate, attended by 17 attendees b. *Cara-cara menyelenggara mesin/ jentera dan menerangkan akibat kecuaian sewaktu bekerja*. 29.11.2018, time: 7.30 venue at Gayanis estate, attended by 15 attendees
Comment on Principle 5	<u>Environmental Management Plan</u> Environmental policy was integrated in MSPO policy which commit by Director Ms. Adeline Lau, sign 10th October 2018. In the environment part, several issues need to highlight: a. Meeting applicable environmental rules and regulations in the palm oil industry through proper management practices. b. Preventing pollution by striving to minimize waste generations and resource consumptions. c. Monitoring and managing environmental components of our daily operations in accordance to environmental rules and regulations of relevant governing body. d. Maintain the culture of caring for environment within the workforce. e. Conduct biodiversity assessment with continuous monitoring at conservation area to protect wildlife, flora and fauna. It was observed Sarawak Green Plantation Sdn Bhd obtain Environmental Impact Assessment (EIA) approval from NREB under Name Agro Forest Oil Palm Plantation before change the management and currently name Sarawak Green Plantation Sdn Bhd on lot 1, Block 6 and 9, Rasan land District, Bintulu Division, Sarawak dated 27th June 2011 with ref.no.: (11)NREB/6-1/2G/44 which signed by Controller of Environmental Quality Sarawak Mr Peter Sawal. Inline with that, the monitoring was conducted to monitor plantation activities on site by provide analyses on pesticides/ weedicides every 6 months in the Environmental Monitoring Report (EMR). The latest report was made available on 2nd Quarter 2019 (April to June) which done by environment consultant. Based on the report the estate was comply with mitigating measures required by EIA Approval. It was observed the Training plan for year 2019 related with environment available. List of training program list as below: i. Basic Environmental Awareness ii. Basic Environment Awareness (Sprayer & Manuring Gang) iii. Waste Management Awareness (Domestic Waste) iv. Waste Management Awareness (Scheduled Waste)

v. Wild Life Awareness

The environmental management plan was cover objectives and aspect and impacts analysis of all operations.

Based on site observation the management had taken necessary action to ensure mitigate the negative impacts and to promote the positive ones was develop, implement and monitor.

It was observed the riparian was well maintained. There was no evidence of spraying activity along the riparian area. Block 5A, task 13.

Major 2 (4.5.1.3)
Implementation and monitoring of environmental improvement plan to mitigate the negative impacts and to promote the positive ones was found lacking.

Evidence as follows;
1. Containers filled with diesel were not properly handled or stored at the vehicle parking area and workshop area.
2. A spoilt conventional knapsack sprayer was found not properly disposed near the genset area.
3. Scheduled waste items (Rag contaminated with oil and empty chemical containers) were sighted behind the scheduled waste store.

Efficiency of energy use and use of renewable energy
Record and usage of Non-renewable Energy (Diesel Consumption). As we can see at the table below, the consumption of diesel waste increased from 2016 to 2017 due to increasing of machine in the estate.

	2016	2017	2018	*2019
	Litre			
Actual usage	986,254	1,067,260	1,099,418	248,034
Estimated Budget	1,598,700	1,612,306	1,573,936	1,574,312

**latest as March 2019*

Usage of Diesel VS FFB 2018
Lowest FFB 1652.67 mt, diesel 17,553 L
Highest FFB 1,206.28 mt, diesel 19,153 L

Waste Management and Disposal
It was sighted all waste products and source of pollution was made available during audit conduct. Some of the activities identified:

i. Unloading FFB at Ramp
ii. Transport (FFB, Road Maintenance)
iii. Genset
iv. Workshop
v. Water Treatment Plant
vi. Chemical Store
vii. Fertilizer store
viii. Lubricant oil store
ix. Scheduled waste store

It was sighted the waste management plan to avoid or reduce pollution was developed and implemented. For example:

Transport (FFB, Road maintenance), dust from moving vehicle near housing and office area. The action taken by estate management. The estate management put the speed limit signage and speed bump to avoid vehicle reduce the speed.

Based on site observation the management had taken necessary action to ensure mitigate the negative impacts and to promote the positive ones was develop, implement and monitor.
The triple SOP was available and apply for empty containers and store properly and to be disposed by registered collector.

Major 3 (4.5.3.3)
Implementation on handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 was found inadequate.

Labelling for scheduled waste (SW312) was incomplete as per requirement in the scheduled waste labelling regulation.

Reduction of pollution and emission
It was observed the assessment of all polluting activities was available in continuous improvement on pollution prevention and environment plan.

The management had taken necessary action to identify pollutant. It can be referred in Environmental Aspect and Impact Assessment (EAIA) Register. Recommended action list as follow:

a. Handling of chemical by provide secondary containment and emergency spill kit
b. Storage of lubricant by provide secondary containment and emergency spill kit.
c. Storage of diesel by provide secondary containment and bund wall.
d. Fertilizers application by no fertilizers application at the buffer and riparian zone.
e. Chemical spraying by no chemical spraying at the buffer & riparian zone.

It was observed the estates was commit to zero open burning.

Natural water resources
It was observed there was water management plan was available in the estate.

It was observed Sarawak Green Plantation Sdn Bhd obtain Environmental Impact Assessment (EIA) approval from NREB under Name Agro Forest Oil Palm Plantation before change the management and currently name Sarawak Green Plantation Sdn Bhd on lot 1, Block 6 and 9, Rasan land District, Bintulu Division, Sarawak dated 27th June 2011 with ref.no.: (11)NREB/6-1/2G/44 which signed by Controller of Environmental Quality Sarawak Mr Peter Sawal

Based on the 2nd Qurter 2019 Environmental Monitoring Report (EMR) it was observed there was 5 waters was collect to monitor the water quality:

W1 Sg. Suai
W2 Sg. Paroh (Downstream)
W3 Sg. Senai
W4 Sg. Paroh (Centre)
W5 Sg. Paroh (Upstream)

All comply with EIA compliance approval.

Status of rare, threatened, or endangered species and high biodiversity value area.
It was sighted the information regarding planted area itself and relevant wider landscape was available. It can verify in EIA report, 27th June 2011 with ref.no.: (11)NREB/6-1/2G/44. It was observed the conservation area was located next to Block 21, 25 and 16 with size approximately 80 ha. This area not planted due to fall under category steep area >25^0

Zero Burning Practices
It was observed the estate was practice zero burning policy in the estate. The SOP for planting and replanting was available and practice on site.

Comment on Principle 6

Site Management
Standard Operating Procedures on management practices approved
Site Management Doc Ref SGP-03-ES01REV0 dated 10/1/2019:
Environmental Aspect, Environmental Impact Doc Ref SGP-03-EN01REV0 dated 10/1/2019;

Work Instruction such as:
Harvesting Doc ref SGP-04-ES04REV0 dated 10/1/2019;
Manuring for Mature Field Doc Ref SGP-04-ES06REV0 dated 10/1/2019.

Safe Work Procedures:
Harvesting Activities Doc Ref SGP-04-SH16REV0 dated 10/1/2019;
Manuring Activities Doc Ref SGP-04-SH17Rev0 dated 10/1/2019.

Most of the plantation areas are hilly and are terraced with soil/water conservation measures. Vegetation are allowed to grow and cover the slopes to prevent erosion.

Economic and Financial Viability Plan
Business or management plan includes operational plan for 2 years projection was available.

Budget	2018	2019
Ha	3,105.17	3,105.17
MT	23,197.28	30,438.31
MT/Ha	7.47	9.81
RM/MT	442.05	331.33

The Budget 2019 showed Admin & General Expenditure Summary, Fixed Asset Expenditure, Profit & Loss Summary & Cashflow summary.

Review of last 2 years performance:

	2017		2018	
	BUD	ACT	BUD	ACT

Ha	3,105.17	3,105.17	3,105.17	3,105.17
MT	15,736.25	18,532.70	23,197.28	22,022.13
RM/ MT	762.62	383.48	442.05	368.61

Transparent and fair price dealing
All contractors are registered with the company and every month a Contract Form will be given to the contractor for work to be carried out for the month.

i) S & L Enterprise. (Contract No. 00446) for FFB harvesting, loading and field maintenance.
ii) LYK Hong & Sons Realty Sdn Bhd. (Contract No: 00444) for Transport of FFB, EFB & Gravel.

Contractor
All contracts are mutually agreed to and signed by the contractors with clear terms and conditions stated in the Contract Agreement, for example with:

i) S & L Enterprise. (Contract No. 00446) for FFB harvesting, loading and field maintenance.
ii) LYK Hong & Sons Realty Sdn Bhd. (Contract No: 00444) for Transport of FFB, EFB & Gravel.
iii) WK Lau's Trading Sdn Bhd. (Contract No,: 00452) for Road gravelling.

Compliance to MSPO requirement can be seen under item no. 2 of the Terms & Conditions in the Contract Form which states "The Contractor shall ensure compliance to the Malaysian Sustainable Palm Oil (MSPO) principles and criteria.

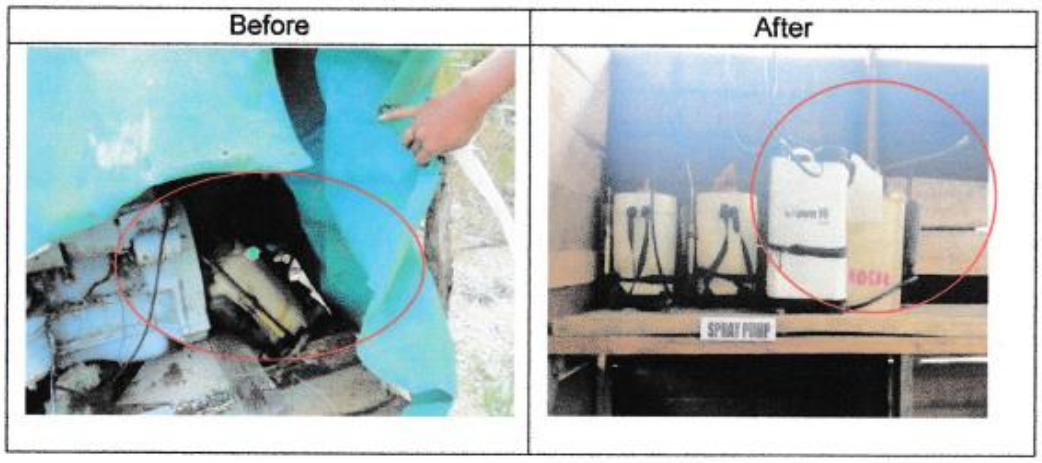
7. Nonconformities

Corrective Action Request and Observation
MS2530-3 Part 3: General Principles for Oil Palm Plantations and Organised Smallholders

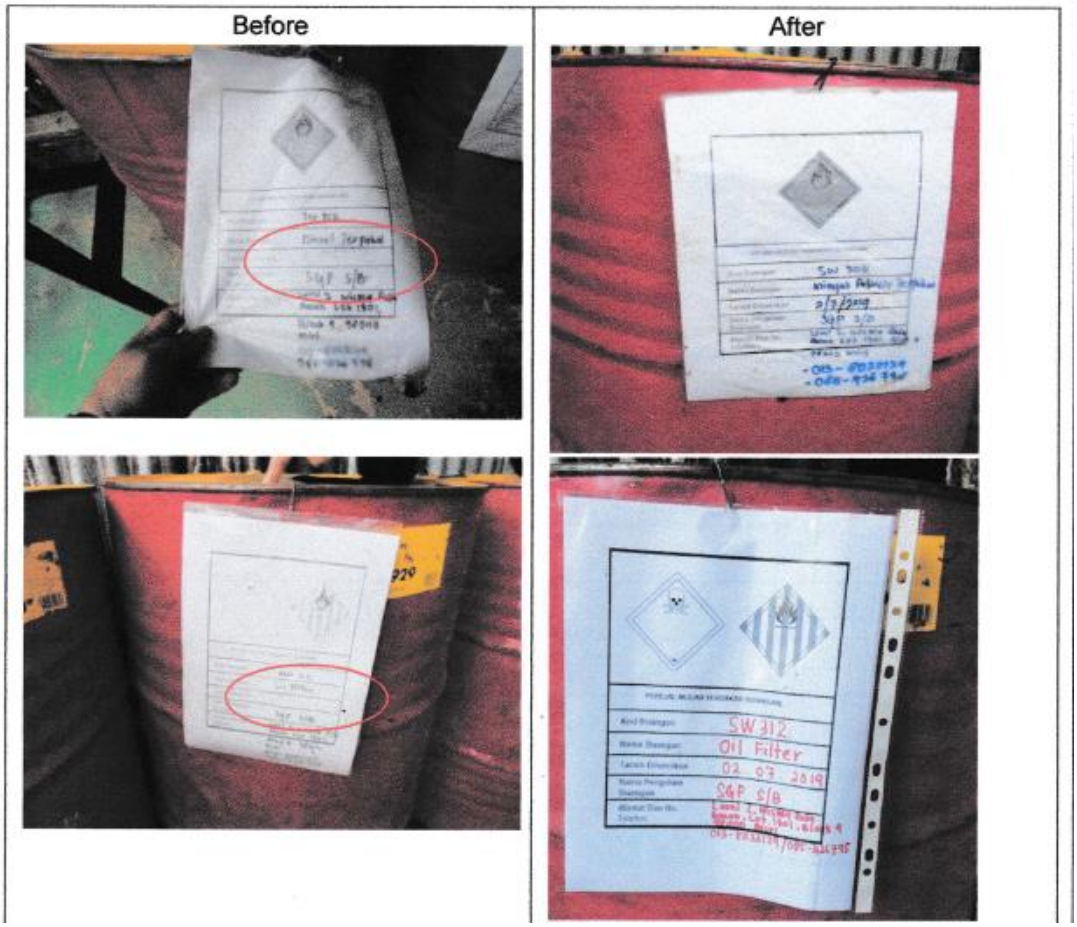
Non Conformity	N°1 of 3		Major 1			
	Date Recorded>	6th Sept 2019	**Due Date>**	5th Nov 2019	**Date Closed>**	15th October 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.4.2	
Document Ref.:	Criteria 4: Employees safety and health		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Occupational safety and health aspect was found lacking.					
Objective Evidence:	The hook holder of a fire extinguisher was found broken and it was improperly tied with metal wire to the wall at the genset area.					
Close-out	The fire extinguisher was promptly replaced with new unit. An, inspection on all the existing					

evidence:	units of fire extinguisher were conducted by the Estate's Safety Officer to verify the serviceable condition of all the units & faulty units replaced.

Non Conformity	N°2 of 3		Major 2			
	Date Recorded>	6th Sept 2019	**Due Date>**	5th Nov 2019	**Date Closed>**	15th October 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.1.3	
Document Ref.:	Criteria 1: Environmental management plan		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Implementation and monitoring of environmental improvement plan to mitigate the negative impacts and to promote the positive ones was found lacking.					
Objective Evidence:	Evidence as follows; 4. Containers filled with diesel were not properly handled or stored at the vehicle parking area and workshop area. 5. A spoilt conventional knapsack sprayer was found not properly disposed near the genset area. 6. Scheduled waste items (Rag contaminated with oil and empty chemical containers) were sighted behind the scheduled waste store.					
Close-out evidence:	1. Diesel fuel/ Chemical containers were containers were collected and stored at a proposed built fuel storage. 2. The spoilt knapsack sprayer was promptly removed & stored at the Spray equipment storage.					



3. House-keeping to remove scheduled waste from the housing & service building & compound was conducted in Mid-September 2019. Environmental awareness briefing to the workforce were conducted.

Non Conformity	N° 3 of 3		Major 3			
	Date Recorded>	6th Sept 2019	**Due Date>**	5th Nov 2019	**Date Closed>**	15th October 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.3.3	
Document Ref.:	Criteria 3: Waste management and disposal.		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Implementation on handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 was found inadequate.					
Objective Evidence:	Labelling for scheduled waste (SW312) was incomplete as per requirement in the scheduled waste labelling regulation.					
Close-out evidence:	The scheduled was relabelled in accordance to scheduled waste labelling regulation. 					

8. General Observations & Opportunities for Improvement

Positive Observations:

- The support from Estates personnel, especially the ground staff contribute to the smoothness and successful of the audit process.
- The spirit of unity and enthusiasm of the personnel towards achieving MSPO certification is impressive.
- The unit has dedicated staffs who are assets to the company. Their cooperative, knowledgeable and hospitability are commendable
- Organised documentation & highly commitment towards certification

Important Observations and Opportunities for Improvements:

- The root causes of nonconformities should be clearly identified and tackle in appropriate method.
- The management should appoint suitable person to implement and maintain the traceability system to ensure all document recorded.
- Action taken on complaints and grievance by stakeholders should be highlight and discuss.
- Safety and health practices should be fully implemented.
- All waste products and sources of pollution are been identified and documented accordingly.

Appendix 1: List of Stakeholders Interviewed

Stakeholder	Issue Raised	Remarks
Gayanis Palm Oil Mill External Mill Manager	No issue raised	No Issue raised
Natural Resources Environmental Board External Environmental Officer	No issue raised	No Issue raised
LYK Hong & Sons Realty Sdn Bhd External Transporter Manager	No issue raised	No issue raised
WWF Interview via phone call WWF-Malaysia (Sarawak Office) Tel: 082-247420/ 257420 Interview via phone (time call: 1st Call: 2.15pm)	No issue raised	No issue raised
Worker A Internal Harvesting	No issue raised	No issue raised

Signed on behalf of **Sarawak Green Plantation Sdn Bhd**	Signed on behalf of **SGS Malaysia Sdn Bhd**
Mr Lim Wui Phen (Senior Plantation Manager)	Mr. Abdul Khalik Bin Arbi Lead Auditor