

**Malaysian Sustainable Palm Oil (MSPO)
Summary Report
Type of audit : Stage 2 MSPO Audit**

Organization:	SOUTHERN REALTY (MALAYA) SDN BHD – PADANG PIOL ESTATE		
Address:	Estate Location Address: Kampung Gajah Mati, 27040 Jerantut , Pahang Darul Makmur Malaysia Postal Address: P.O Box 7, Padang Piol Estate, 27040 Jerantut , Pahang Darul Makmur Malaysia		
MSPO Standard(s) Used:	MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders	Accreditation Body(s):	Department Standards of Malaysia
Representative:	1) Mr Ravindran Subramaniam – Plantation Controller 2) Mr. Prabakaran Jayaraman – Assistant Manager In-charge		
Email: Telephone:	1) Mr Ravindran Subramaniam – Plantation Controller ravin@southern.com.my +60 12 637 5746 2) Mr. Prabakaran Jayaraman – Assistant Manager In-charge Jprabakaran88@gmail.com +60 11-26260190		
Site(s) audited:	single site	Date(s) of audit(s):	8 th Apr 2019
Audit Scope:	Production of Oil Palm Fresh Fruit Bunch (FFB) in compliance to the MSPO Certification Standard MS2530-3:2013 Part 3		
Mill Capacity:	n.a	Total Area (Certified):	452.63 ha
Visit Certification Assessment:	Main Assessment	Number of Sites:	1
Lead auditor:	James S H Ong	Additional team member(s):	En Afiq Othman
Certificate Number:			
Date of Issue:		Date of Expiry:	
This report is confidential and distribution is limited to the audit team, client representative and the SGS office.			

Job n°:	MY05353	Report date:	080419	Visit Type:	MA	Visit n°:	2
CONFIDENTIAL	Document:	GS0304 (MY05353) SOUTHERN REALTY (Malaya) Sdn Bhd - Padang Piol Estate		Issue n°:	10	Page n°:	1 of 34

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 MSPO Certification

Production of Oil Palm Fresh Fruit Bunch (FFB); Production in compliance to MS2530-3:2013 Part 3

This is a single -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 Certification

Currently **Southern Realty (Malaya) Sdn Bhd - Padang Piol Estate** is not being certified with other certification scheme as below:

Current Certification (Please tick the certification you are currently certified)			
<input type="checkbox"/>	ISO 9001	<input type="checkbox"/>	HACCP
<input type="checkbox"/>	EMS 14001	<input type="checkbox"/>	RSPO
<input type="checkbox"/>	OHSAS 18001	<input type="checkbox"/>	ISCC
<input type="checkbox"/>	ISO 22001	<input type="checkbox"/>	GMP Plus
<input type="checkbox"/>	HALAL	<input type="checkbox"/>	KOSHER
<input type="checkbox"/>	Co-GAP	<input type="checkbox"/>	None / Others: RSPO NEXT

4. Assessment Process and Audit Programme

4.1. Sampling Method

Sampling Methodology and Rationale
<p>Sampling of the estates to be audited has been conducted in accordance to the Risk Management (MPOB/MSPO/RMP/06) documents as below:</p> $S = r\sqrt{n}$ <p>Risk Factor: LOW (1.0) $S = 1.0 (\sqrt{1}) = 1$ 1 estate to be visited</p> <p>Since this is a single site audit , one (1) estate the estate has been visited during the Surveillance Assessment 1 audit according to the formula stated in MSPO Risk Management Document.</p>

The assessment was conducted based on random samples and therefore nonconformities may exist which have not been identified. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data. Detailed audit plan can be referred below.

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4.2. Audit Plan

The assessment was conducted in 01 audit day and involving 01 Estate. The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues.

Organization:	Southern Realty (Malaya) Sdn Bhd - Padang Piol Estate MPOB Licence No:		
Address:	Lat,Long: : N 3° 59' 45.816", E 102° 19' 24.528" Jerantut, Pahang Malaysia Contact person: 1) Mr Ravindran Subramaniam – Plantation Controller email : ravin@southern.com.my Mobile: +60 12 637 5746:		
Visit Number:	MSPO Stage 2 Main Assessment	Actual Visit Date:	8 April 2019
Visit Due by Date:	-	For auditor information only	
Lead Auditor	James S H Ong , SGS (Malaysia) Sdn Bhd Mobile: +6012 3736605 email : james.ong@sgs.com		
Team Member(s):	En Afiq Othman Mobile : +6 013 3545 321 Email: afiq.othman@sgs.com		
Additional Attendees and Roles	-		
Standard(s):	MS2530-3:2013 Part 3: Oil Palm Plantations & organised Smallholders		
Scope	Estate 452.63 ha		
Audit Language:	English & Bahasa Melayu		
Audit Scope:	Production of FFB in compliance to the MSPO Certification Standard MS2530-3:2013 Part 3		

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
07/04/19	5:00 pm	AO& JO	Southern Group arranges the transport of auditors Overnight Jerantut	
8/04/19	7:00 a.m		Breakfast	

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	7:30 a.m		Travel and arrival at Padang Piol Estate (PPE)	
	8:00 a.m		Opening Meeting by PPE , SGS (Malaysia) Sdn Bhd and audit briefing	
	9:00 – 12:30		JO	AO
			MS 2530-3-2013 (Part 3)	
		JO , and AO	Site visit – - Field operation & interview workers , contractors - Environmental – waste , water , soil management , biodiversity - Linesite & Boundary - Storage , chemical Handling - PPE / Safety	
			Document review <ul style="list-style-type: none"> • Principle 1 Management commitment and responsibility • Principle 3: Transparency • Principle 4: Social responsibility, health, safety and employment condition • Principle 2: Compliance to legal • Principle 5: Environment, natural resources, biodiversity and ecosystem services • Principle 6: Best practices • Principle 7 	
	12:30 – 1:30		Lunch	
	1:30 – 5:00	JO and AO	Document review , interview with relevant workers , representative	
	5:00		Finalising MA Findings and CAR Form Presentation	
	5:30 p.m		Closing Meeting presentation Findings for PPE and recommendation Question and discussion	
	6:00		End of audit for Stage 2	

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	6:30 p.m		Auditor stay o/night for (MY05354) SOUTHERN REALTY (TAKAU) MSPO MA audit	
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4.3. Certification Body_Auditor Profile

Auditor	Role	Qualification, Education, Working Experience.
James S H Ong	Lead Auditor	James S H Ong, a Bachelor of Agriculture Science holder. He has many years working experience in agriculture sector in Malaysia and has been working in estates as well in the agrochemical and fertilizer industry. He is well versed with Good Agricultural practices .He has undergone ISO 14001 and RSPO Lead Auditor and RSPO Supply Chain training and involved in a number of audits on oil palm plantations, supply chains and traders. He is also involved in ISCC audits.
Afiq Othman	Auditor	En , Afiq Othman is a Bachelor holder in Marine Technology . He was a member of the Sime Darby Sustainability Department involved in internal audit as well as preparation of the Units for certification . Upon joining SGS (M) Sdn Bhd he completed the EMS and QMS Lead Auditor Course , MSPO Lead Auditor Course , Level 2 PEFC course . He has also completed the hours to qualify to be a MSPO Lead Auditor .

4.4. Audit Planning Matrix

Area / Department / Process / Function	Auditor(s)	Visits:	Stage1	MA (Stg 2)	SA1	SA2	SA3	SA4
		Dates:	19/2/19	8/4/19				
Standard MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders	1. MSR 2. MFJ	1. James S H Ong 2. Afiq Othman						
	Principle 1	x	x	O	O	O	O	
	Principle 2	x	x					
	Principle 3	x	x					
	Principle 4	x	x					
	Principle 5	x	x					
	Principle 6	x	x					
	Principle 7	n.a	n.a					

*For each completed visit, mark "X" in the box for each department or process covered. For planned visits, indicate with an "O" in the box for each process to be covered.

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5. Previous Audit Results

Not applicable as this is a Main audit

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.

6. Audit Findings Summary and Recommendations

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.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The organization has demonstrated effective implementation and maintenance / improvement of its management system.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The audit team concludes that the organization <input checked="" type="checkbox"/> has <input type="checkbox"/> 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:	0	Major
	04	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:		
<input checked="" type="checkbox"/> Granted / Recommended <input type="checkbox"/> Continued / <input type="checkbox"/> Withheld / <input type="checkbox"/> Suspended until satisfactory corrective action is completed.		

7. Significant Audit Trails Followed

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

7.1. Details of Certified Entity

Southern Realty (Malaya) Sdn Bhd - Padang Piol Estate is located in Kampung Gajah Mati , Mukim 'TEH' , district of Jerantut in the State of Pahang, Malaysia.
Based on old maps provided , it was formerly known as Choo Check Juan Estate .

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Southern Realty (Malaya) Sdn Bhd - Padang Piol Estate borders neighbours such of Felda Padang Piol and villages of Kampung Gajah Mati .
For accessibility , it is accessible via the Jalan Kampung Gajah Mati entering from the main road , Jalan Taman Negara, Pahang .

Table 1 is the Address and the GPS coordinate of the audited site

Table 1: Address and Coordinates of Estate audited

Estate	Location Address	Geo-Coordinate (GPS)
		Latitude, Longitude
Southern Realty (Malaya) Sdn Bhd - Padang Piol Estate	Kampung Gajah Mati, 27040 Jerantut , Pahang Darul Makmur Malaysia	N 3° 59' 45.816", E 102° 19' 24.528"

Please refer to **Figure 1** for the overall location and **Figure 2** for the estate map

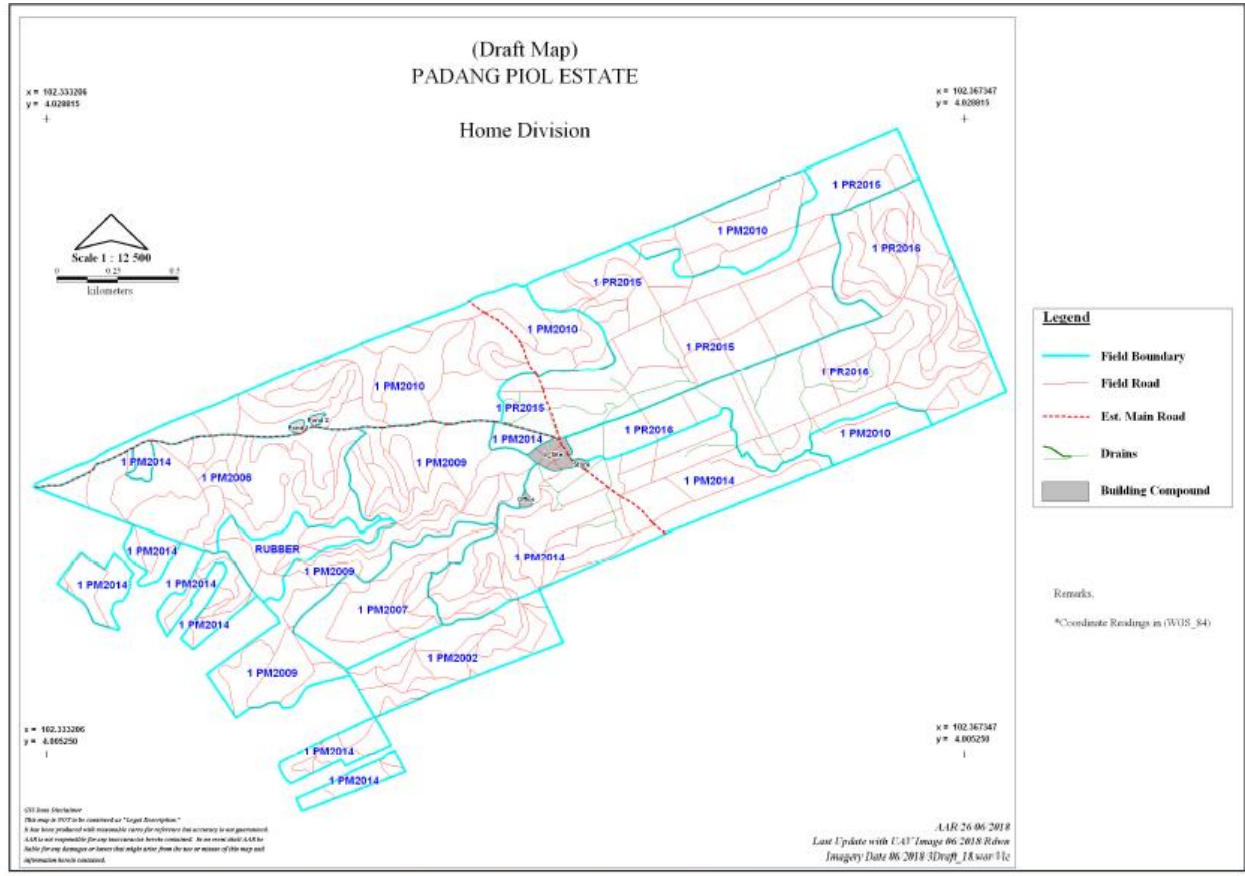
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Figure 1: Overall location Map of Southern Realty (Malaya) Sdn Bhd - Padang Piol Estate



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Figure 2: Overall Map of Southern Realty (Malaya) Sdn Bhd - Padang Piol Estate



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Description of Supply Base

The FFB harvested within the estate and delivered to be processed in the Jerantut Palm Oil Mill . The actual and estimated crop production are listed in **Table 2** below.

Table 2: FFB Production

Estate	FFB Production (MT) Period: Jan – Dec	
	Previous Actual FY (2018)	Budget /Estimate / Projection (FY 2019)
Southern Realty (Malaya) Sdn Bhd - Padang Piol Estate	4,933.24	6,500.00
TOTAL FFB SENT TO PALM OIL MILL	4,933.24	6,500.00

7.2. Area of Plantations

Table 3: Hectare Statement of Supplying Estates

Certified Area Statement (Ha)						
Estate	Titled Area (Ha)	Planted (Ha)		*Conservation (Ha)	HCV/ High biodiversity value (ha) (Ha)	** Others (Ha)
		Immature Area (Ha)	Mature Area (Ha)			
TKE	452.63	72.84	371.70	0	0	8.09
Total	452.63	72.84	371.70	0	0	8.09

* Please describe if information available

* e.g Conservation area : riparian reserve, waterways , forest buffer zone etc

** Others : non-crop area : road, linesite ,office , workshop, TNB power lines etc

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7.3. Stakeholder Consultation and List of Stakeholders Contacted

Stakeholder consultation took place in the form of meetings and interviews. The interviews and meetings were intended to obtain input from the stakeholders followed by an evaluation of the relationship between the stakeholder and the company. See **Appendix 2** for stakeholder’s details and comments.

Below is the 30 day public notification on the SGS website .

<https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/southern-realty-m-sdn-bhd-padang-piol-estate>

7.4. Comment on MS2530-3 Compliance Status

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u> As reported in 4.1.1.1, The company has established MSPO policy entitled “Polisi Kelestarian” dated on 1st June 2018 signed by Mr. Nick Low, Senior Director of Industrial and Plantations. The policy emphasizes the company commitment towards sustainable development and continuous improvement in plantation operation. It is being communicated through several ways such as by displaying the policy at office, awareness training, induction programme and stakeholder meeting.</p> <p><u>Internal Audit –</u> As reported under 4.1.2.1, Internal Audit was planned to be conducted at least once not exceeding a year period. This requirement was clearly indicated in the Internal Audit Procedure developed. Noted the audit was carried according to the audit plan evident during the audit. Internal Audit Report was produced at the end of the audit and brought up to the management and reviewed accordingly. Observed the root causes and corrective actions were identified for each non-conformance raised and closed within permitted the timeframes.</p> <p><u>Management Review –</u> As reported in 4.1.2.3, a series of management review meeting was done prior to the stage 2 audit. First management review done after internal audit has been conducted while the second meeting was done after external stage 1 audit. The last meeting was held to discuss on all critical and non-critical findings and to discuss on the timeline require to implement all corrective actions.</p> <p>Internal audit report was reviewed by top management dated on 27 December 2018</p> <p>Additional Management Review was done after Stage 1 Audit (External) dated 19/2/19</p> <p><u>Continual Improvement -</u> As reported in 4.1.4.1 , The company has identified Continues Improvement Plans for several criteria such as environmental, social, safety and health.</p>
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	<p>As the day of audit, noted no new technique being implemented in the estate.</p>
<p>Comment on Principle 2</p>	<p><u>Transparency of documents relevant to MSPO requirements</u> – As reported in 4.2.1.2 , Management documents for the estate are made publicly available upon request and during the stakeholder meeting.</p> <ol style="list-style-type: none"> Records of Request and response and complaints Policy Social Impact Assessment Land titles <p>All management documents requested by external stakeholders will be handled by Social Management Officer (SMO)</p> <p>For land titles and other documents where this is prevented by commercial confidentiality, the ‘Stakeholder complaints & Grievances Feedback Form ‘ will be used or an email sent to the Plantation Department Office , HQ for approval.</p> <p><u>Transparent method of communication and consultation</u> – As reported in 4.2.2.1 , the company has established a procedure for consultation and communication with the relevant stakeholders as per in the Stakeholder Consultation and Communication Procedure (Ref No.: PPE-PRO-P2C2/CC) dated 01 June 2018.</p> <p><u>Traceability</u> – As reported in 4.3.2.1 , The estate has established a specific procedure for traceability and controlling the flow of the movement of the FFB harvested from the block until the dispatch to the mill. The above procedure is specified in the Traceability Procedure (Ref No.: PPE-PRO-P2C3/TP) dated 01 June 2018.</p> <p>In practice the estate is utilizing the following documentation for the control of the FFB flow:</p> <ul style="list-style-type: none"> Bunch Chit – document that is issued at the block after the FFB is harvested e.g tracked based on Date of harvest , Harvester name and Block FFB Consignment Note – document that is issued at the block before the FFB is loaded onto the tractor for the weighing at the weighbridge; Internal Weighbridge Ticket – document that is issued for every transportation of the FFB from the block and to be stored at the loading ramp (at present manually recorded as the Epson Printer is not repaired till today) e.g LPP No:1417 for Bunches 162 FFB Despatch Note: BNo. 88177 dated 5/3/19 – a document that is issued for the FFB to be transported out to the mill through the weighbridge; Weighbridge ticket (external) – a document that is issued after the weighing of the FFB that to is to be transported to the designated POM e.g g LPP No: 1964 for Bunches 2155 Mill <i>Perakuan Penggredan</i> BTS No: 117364 date : 5/3/19 Mill Weighbridge Receiving Note: 038727 for 25460 kg (5/3/19)

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	<p>The auditor observed that each of the document specified above contains the relevant information of the FFB harvested such as block no. and harvesting date.</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements</u> –</p> <p>As reported in 4.3.1.1 , The estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>Ref: PPE-LST-P3C1/LRR 1/6/18 , Rev 00</p> <p>1) Local Act / Regulation / guidelines – 30</p> <p>List of licence and permits and its due sighted on a whiteboard.</p> <p>a. Permit <i>Barang Kawalan Berjadual</i> (Diesel, Petrol)</p> <ul style="list-style-type: none"> - C 007962 (Valid until 17 October 2019) – KPDNKK.PHG.JRT.600-5/2/02 (PA) PD for 10,000 lits diesel <p>b. Acknowledgment for the Weighbridge in compliance with the Weigh and Measures Act 1972 – Serial No. 125150446 valid until 24 April 2019;</p> <p>c. The Linesite and workers housing:</p> <ul style="list-style-type: none"> - The linesite inspection record of house no: 25, of worker Hussin sighted dated 20/2/19 was made available; - There certificate of fitness sighted for linesite available , ‘<i>Surat Kelulusan Peraturan (Piawai Minima Perumahan) Pekerja , 1966 , Peraturan 1966 (peraturan 38(i)(a) was sighted for the building of 9 block x 4 unit = 36 unit in Ladang Padang Piol , Jerantut sighted . surat kelulusan : (45A) Dlm.JB.KTN.K-1110-190 dated 9hd Sept 1982 by Pengarah Hal Ehwal , Pahang</i> <p>d. Employment Contract and Appointment Letter for the workers are available. Information indicated in the document showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits.</p> <p>e. MPOB Licenses:</p> <ul style="list-style-type: none"> - FFB Production: 501282402000 (Valid until 31 March 2020). Observed that the License is for the Lot No. 242 totaling to 386.9 ha - As specified above, the license is only for the Lot no. 242 and not the whole of the estate. The estate has taken action to apply for the amendment of the license as per in the letter dated 12 Jan 2019 which is issued to personnel the Director of the MPOB of Pahang. The MPOB has responded with the receipt of the application and action to amend the license has been initiated on 17 Jan 2019. A letter was presented dated 5 March 2019 requesting ‘Puan Alin ‘ of Account Dept, Southern Realty (Malaysia) Sdn Bhd to follow up on the amendment. As of during the audit , payment to MPOB for the request to the changes done on 4/4/19 .

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	<p>However the International / ratified laws has not been included . As a result , an OBSERVATION 01 is raised (refer to Section 9.3 for the details)</p> <p><u>Legal land use rights</u> – As reported in 4.3.2.1 , the estate has been established since 1980s. There is no evidence of the oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>The estate is operating on valid land titles as follows:</p> <ul style="list-style-type: none"> • Lot No. 244, Title No. 6498 with an area of 19.6146 ha; and • Lot No. 242, Title No. 9501 with an area of 396.996 ha <p>Observed that the land titles verified shows the company's name as the owner of the estate</p> <p><u>Customary rights</u> – As reported in 4.3.3.1,there is no issue or encumbered by customary rights in the estates. Not applicable.</p>
<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment</u> – As reported in 4.4.1.1 , Verification during the audit showed that there is evidence that the Social Impact Assessment that has been conducted by the company covering the estate within the company's certification scope (Social Impact Assessment – Ref No. PPE-FOM-P4C1/SIA) that include the following to ensure identification , timetable and action taken to response :</p> <ol style="list-style-type: none"> 1) Stakeholder 2) Feedbacks 3) Stakeholder area of concern 4) SC No. 5) Positive/ negative 6) Need control measure? Yes/ No? 7) Action completion date 8) Status <p>Observed that the Assessment has been conducted on 9 April 2018 covering 58 stakeholders such as local authorities , smallholders , local communities and the suppliers. Based on the SIA no negative issues were raised.</p> <p>However some information were not included and as a result under 4.4.1.1 , OBSERVATION 02 is raised. (See Section 9.3 for details)</p> <p><u>Complaints and grievances</u> – As reported in 4.4.2.1 , Grievance Procedure is specified within Stakeholder Consultation and Communication Procedure (Ref No.: PPE-PRO-P2C2/CC) dated 01 June 2018. In addition, the Flow Chart detailing the Grievance Procedure Mechanism is available in within Section 5.1 of the above procedure.</p>

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Details of complaints/grievances, date and details of action taken has been recorded in the “Stakeholders Complaints and Grievance Feedback Form”

Under 4.4.2.4 , **OBSERVATION 03** is raised.
(See Section 9.3 for details)

Commitment to contribute to local sustainable developments –

As reported in 4.4.3.1 , the audit team notes that the estate has been engaging with the local communities for the local development. Evidence of consultation is made available to the audit team whereby the consultation has been conducted in a way to inform them on identification of local development needs.

Employees health and safety –

As reported in 4.4.4.2, observed that the occupational safety and health plan covers the followings:

a) The company has established an Occupational Safety & Health Policy that is made available to the audit team during the audit. Observed that the policy has been signed by the Industrial and Plantation Senior Director on 01 June 2018.

b) All operation risk were assessed and documented in the HIRARC Form. The risk assessment has been established on 03 March 2018. Next review of the HIRARC will be conducted on 03 March 2019.

c) Safety trainings for employees exposed to pesticides have been conducted; records of the training were available in training file. Example of safety training conducted as below:

- Chemical Spraying dated 09 Feb 2019;
- Harvesting Training dated 05 October 2018.

d) Appropriate PPE were distributed for the specific risk assessed operations as per HIRARC.

e) Padang Piol Estate has a SOP for handling of chemicals to ensure proper and safe handling and storage in accordance to OSH (Classification Packaging and Labeling) Regulation 1997 and OSH (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. The procedure entitled Handling of Chemical Procedure (Ref No.: PPE-PRO-P4C4/CHP) dated 01 June 2018 is made available to the audit team during the audit.

f) Pandang Piol Estate has established an OSH committee as specified in the Organization Chart for the Occupational Safety and Health Committee Meeting for 2019-2020. Appointment letters for the committee members (employer’s representative and workers representative) are available. With regard to the safety representative, the hospital assistant is the appointed safety representative responsible for workers safety and health

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g) Regular safety & health meetings (every 3 months) have been conducted by Safety and Health Committee; where issues about safety and health are discussed. Minutes of meeting are available in Occupational Safety and Health Committee Meeting. Based on records, the latest Meeting for 2019 has been convened on 2 Feb 2019 and attended by the committee members (workers representative and employer representative).

The CHRA and the latest medical surveillance was also available

h) Site inspection evidence sign of potential hazard available at strategic location especially at the workshop, chemical store and fuel tanks. In addition, the emergency procedure is also made available to all workers by posting on the wall or on notice board (i.e.: Chemical and Fertilizer Store). Accident and Emergency Response Procedure (Ref No.: PPE-PRO-P4C4/ERP-1) dated 01 June 2019 is available

i) Training on first aid has been conducted to the workers (i.e.: manuring, harvesting) with the latest training conducted on 22 May 2018.

j) Records of accident have been summarized for reporting to DOSH using JKPP 8 form. Latest JKPP 8 form submitted to JKPP on 28 Jan 2019 by the estate manager.

Even though they have the above information some requirement under this indicator (under section on HIRARC concerning PPE usage) was not presented and as a result an **OBSERVATION 04** is raised under 4.4.4.2 (**See Section 9.3 for details**)

Employment conditions –

As reported in 4.4.5.1 , The policy on good social practices has been indicated in the “Labour Right and Ethics Policy” that is signed by the Industrial and Plantation Senior Director on 01 June 2018. The policy emphasizes on

1. Equality/ no discrimination
2. No child labour
3. No sexual harassment
4. Freedom of association

As reported in 4.4.5.3, The payroll and pay slip records of employees showed that all employees are paid with the basic salary are compliance with the local minimum wages requirements.

PPE has only 7 own checkroll workers and 20 contractor workers working as harvesters and spraying .

Based on last month’s payslip , there were 2 workers as they did not work the full offered days .

Feb 2019		
Salleh Daud	761.58/17 days	

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Zakri Zakaria	888.51/ days	21	
<p>However as they are daily paid , based on per day basis , they were paid accordingly at RM42.31 per day</p> <p>As reported in 4.4.5.4 , with regards to the subcontractor workers. The audit team notes that there is evidence of the subcontractor workers employed at the estate. Further verification revealed that the payment of wages made to the workers are complying with the Minimum Wage Order 2018.</p> <p>With regards to the employment contract, documented evidence in term of the employment contract and agreement between the workers and the subcontractor made available to the audit team during the audit. e.g Muhammad Faiz Salleh under MPJ enterprise was sighted</p> <p>The payslips of the contract workers under the following contractors were inspected :</p> <ol style="list-style-type: none"> 1) MPJ Enterprise 2) Sundram A/L Pachipa 3) Mentari Bersinar enterprise <p>Now the format by JTK is being used to present the payslip .</p> <p>Based on sample , all the workers were paid based on the legal minimum</p> <p>As reported under 4.4.5.5 , although Padang Piol Estate has established an accurate record all employees as per in the Employee registration card provided by JTK , Pahang some discrepancies were detected in the recording .</p> <p>As a result , a MINOR NC 01 was raised under indicator 4.4.5.5 . (refer to Section 8.1 for the details)</p> <p>Although Employment Contract and Appointment Letter for the workers are available .</p> <p>Padang Piol Estate has established an accurate record all employees as per in the Employee registration card provided by JTK , Pahang . The document information was checked and some information were still missing .</p> <p>As a result OBSERVATION 05 was raised under 4.4.5.6 . (refer to 9.3 for the details)</p> <p>As reported in 4.4.5.11, on-site living quarters are provided to general workers and staff.</p>			

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	<p>The Estate has purchased material of about 15K for the preliminary repair . PPE has used their petty cash of RM600 for the purchase of cement and sand</p> <p>Although PPE has provided the living quarters with basic amenities such as treated bore water and grid electricity yet the houses still require repairs to ensure to be habitable .</p> <p>As a result MINOR NC 02 was raised under 4.4.5.11. (refer to Section 8.1 for the details)</p> <p>As reported under 4.4.5 13, The management of the estate is respecting the right of the workers to form or join union that is described in the documented “Labour Right and Ethic Policy” established by the management of Padang Piol Estate.</p> <p>Although during Stage 1 verification confirmed that the workers are free to negotiate their right and working condition with the top management of the estate by liasing with the appointed SMO and utilizing the procedural forms as per in the Stakeholder Engagement Procedure yet it was known that the workers are not represented through a worker representation to ensure they have the right to organize and negotiate their work conditions.</p> <p>As a result MINOR NC 03 was raised under 4.4.5.13. (refer to Section 8.1 for the details)</p> <p><u>Training and competency –</u> As reported in 4.4.6.1 , Sighted training programme for 2019 during the audit PPE-FOM-P4C6/TP Rev R00.</p> <p>.</p> <p>Observed that all employees are appropriately trained. Summary records of training provided are available in the following documents:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Chemical Spraying dated 09 Feb 2019; <input type="checkbox"/> Harvesting Training dated 05 October 2018; <input type="checkbox"/> Basic First Aid Training dated 21 May 2018; <input type="checkbox"/> Spill kit Training dated 14 Feb 2019; <input type="checkbox"/> Driver Safety Training dated 15 Feb 2019; <input type="checkbox"/> Policy Briefing and Training dated 23 Jan 2019. <p>Details of training conducted for each activity has been recorded in the Training Report. The report contains information that includes topic covered, the trainer, date and attendees.</p>
<p>Comment on Principle 5</p>	<p><u>Environmental management programme –</u></p> <p>As reported in 4.4.5.1 , The company has established “Environmental Policy” dated on 1st June 2018 signed by Industrial and Plantation Director, Dr. Nick Low to exhibit the commitment towards conserving and preserving environment.</p>

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	<p>“Environment Management Plan” has been established through establishment of environmental objectives, identification of negative impacts from Aspect Impact Analysis, establishment of mitigation actions required for negative impacts and monitoring necessity.</p> <p>Addition to the Environmental Management Plan, the estate has established Continual Improvement Plan comprises of all actions planned to improve their operations in terms of all aspects such as environmental, safety, health and social.</p> <p>Several trainings covering environmental aspects have been planned and conducted to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>Periodically the management will hold a meeting together with other employees to discuss on environmental issue being faced by the estate. Meeting minutes are being retained appropriately for future reference.</p> <p><u>Efficiency of energy use and use of renewal energy –</u> As reported in 4.5.2.1 , the estate closely monitors the usage non-renewable energy such diesel usage and electricity. They even estimate the usage for the coming year to ensure the consumption is at optimal level and not over consume. No renewable energy being adopted in the estate at the point of audit.</p> <p>However an OBSERVATION 06 was raised under 4.5.2.1 as some information were not available . (see Section 9.3 for details)</p> <p><u>Waste management and disposal –</u> As reported in 4.5.3.1 , Waste sources have been identified for several types of waste such as scheduled waste from estate operation and domestic waste from labour line and office and by-products from the estate operations.</p> <p>Waste Management Plan was developed to ensure all wastes identified are being managed responsibly and efficiently.</p> <p>To provide a standard guideline and to meet the requirement of scheduled waste management, the estate has established a specific procedure for such activity.</p> <p>To ensure that waste management is being kept minimal, the estate practices recycle where applicable such as reusing empty chemical container for chemical mixing purpose and recycling other recyclable items.</p> <p>Domestic waste is being disposed at designated landfill and being managed properly to avoid from unpleasant environment. However, the management had started applying for external service for rubbish collection. Quotation has been acquired and waiting for the top management approval.</p>
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By-products such empty bunch and fronds being used to recycle nutrients in the field through natural decomposition.

However a non-conformity **MINOR 04** was raised under 4.5.3.3 . (**See Section 8.1 for details**)

Reduction of pollution and emission –

As reported under 4.5.4 1, polluting activity assessment was done together with Aspect Impact Analysis (AIA) Assessment. Together with the analysis, the mitigation action plan of each identified polluting activities was also included in the AIA.

Natural water resources –

As reported in 4.5.5.1, Water Management Plan has been established. The plan covers assessment of water usage and sources, monitoring of outgoing water from the estate despite not having river or natural streams flow in the estate, establishment of buffer zone wherever deemed necessary by the management, practicing rain water collection and recycling excess water from chemical mixing activity for the next chemical mixing purpose.

However it was sighted that the buffer width was not clearly indicated resulting in **OBSERVATION 07** raised under indicator 4.4.5.1 (see Section 9.3 for details).

Status of rare, threatened or endangered species and high biodiversity value area –

Biodiversity assessment done by appointed consultant. Noted the estate has only been provided with draft report as the assessment was done not too long before the audit date. Based on the draft report, several wild animals and birds with vulnerable and endangered categories were detected within the plantation.

Flora species in the estate is yet to be mentioned in the biodiversity report reviewed despite not having protected plant species in the estate. The estate management had asked the consultant to do so. Explained by the consultant, it will be included in the final report which will be made available soon.

Appropriate signages of illegal hunting and fishing have been erected to discourage such activities. They were available at estate main entrance and in certain area in the plantation fields

Biodiversity Management Plan has been established based on appointed biodiversity consultant advices. The plan was received on the day of audit, hence it has yet to be carried out.

Due to incomplete assessment , an **OBSERVATION 08** under **4.5.6.1**

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	<p>(see Section 9.3 for details)</p> <p>Although the estate has erected 'no hunting' signages, yet an empty bullet shell was sighted.</p> <p>As a result , an OBSERVATION 07 was raised under 4.5.6.2 (refer to Section 9.3 for details)</p> <p><u>Zero burning practices –</u> As reported in 4.5.7.1 , Zero Burning commitments were reflected in the established Environment Policy mentioned earlier. To top it off, the prohibition of adopting burning method is also being mentioned in Replanting SOP of the company. Noted no traces of open burning in the estate either at replanted field or housing area.</p>
<p>Comment on Principle 6</p>	<p><u>Site management –</u> As reported in 4.6.1.1, Standard Operating Procedure on Good Agricultural Practice has been established consisting 21 types of operational activity. Based on observation of the auditor during site visit to the field, noted that the field management is in accordance to the SOP. Further verification through interview with harvesting contract workers exhibit good understanding of the company standards. The implementation is being monitored periodically through internal audit and visit by Plantation Controller.</p> <p>The land being occupied by the estate is mostly flat area. However, there were some areas that have identified as hilly areas. A proper terracing system with appropriate soil and water conservation were found to be in place.</p> <p>Apart from having field block map, the physical identification on the ground was found to be available.</p> <p>Terracing was done for all hilly areas. Noted no 25 ° slope in the estate. All terrace areas were observed to have adequate cover crop</p> <p><u>Economic and financial viability plan –</u> As reported in 4.6.2.1 , business plan has been established to demonstrate attention to economic and financial viability through long-term management planning. The past 2 years performance was reviewed. The operational plan of 2 years ahead 2020 and 2021 was made available during the audit. From the business plan reviewed noted that the plan not only covers operational plan and budgeting but also on other indirect general charges and other indirect expenses.</p> <p>No field is being planned for replanting as the oldest field available in the estate was from year 2002.</p>

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	<p>Periodically, the business plan is being monitored through several identified methods such as Daily Production Reports, Monthly Estate Production Performance Report and Quarterly Performance Report.</p> <p><u>Transparent and fair pricing dealing</u> – As reported in 4.6.3.1, sighted contract agreements between the estate and appointed contractors for outsourced services such as for harvesting work and FFB Transportation.</p> <p>Despite from having check roll workers, the estate also engaged contract workers to carry out certain task such as harvesting, spraying and manuring. The contract agreement between the estate and contractor was made available and signed by both sides. Noted that pricing mechanism was documented in the agreement. Payment to the contractor done on monthly basis. Noted no complaint ever received from the contractor regarding late payment etc.</p> <p><u>Subcontractor</u> – From all sampled contract agreements made between the estate and appointed contractors, noted that it has been agreed and signed by both parties. Observed that all sampled contracts containing special clause on MSPO adherence and compliance requirement</p>
<p>Comment on Principle 7</p>	<p><i>Note: the whole Principle 7 is not applicable for this audit as there is no new planting in the plantations area.</i></p> <p><u>High biodiversity value</u> –</p> <p><u>Peat land</u> –</p> <p><u>Social and environmental impact assessment</u> –</p> <p><u>Soil survey</u> –</p> <p><u>Planting on steep terrain and/or on marginal and fragile soils</u> –</p> <p><u>Customary land</u> -</p>

7.5 Comment on MS2530-4 Compliance Status

Not applicable for farm audit

8. Nonconformities

8.1. Non-Conformity Statement MS2530-3:2013 Part 3

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NonConformity	N° 1 of 4	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Department / Function:	Worker's records	Standard Ref.: Indicator	4.4.5.5
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Open
Details of Nonconformity	The management has not 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.		
Evidence	<p>During the interview with contractor harvesting worker at F2010 , there was a worker En Abdul Manaf Mohammad , however he was not listed in the 'Senarai worker' as he was identified as , Prakash A/L Angappan (contractor representative) due to the fact that he was a Malaysian/Kelantanese without an identity card .</p> <p>His employment information showed that he has K/P 800613-03-5585 and in his payslip he was deducted :</p> <ol style="list-style-type: none"> 1) KWSP: RM162.00 2) Perkeso : RM4.28 <p>No records of his KWSP and Perkeso information was accessible during the audit</p>		
Close-out evidence:	<p>The estate has submitted on 19/4/19 the following Corrective Actions to address the identified minor non-conformities and was documented on an action plan and sent by the client to the auditor within 90 days for review. The actions are deemed to be satisfactory and they will be followed up at the next scheduled visit</p> <p><u>Root Cause / Potential Root Cause:</u></p> <p>Management assumed the contractors workers information were all updated / in place</p> <p><u>Correction / Remedial Action:</u></p> <p>Request contractors to provide relevant documents of workers employed failing which the workers will not be employed</p> <p>Note: the worker has submitted letter of resignation</p>		

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NonConformity	N° 2 of 4	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Department / Function:	Social – Housing	Standard Ref.: Indicator	4.4.5.11
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Open
Details of Nonconformity	In cases where on-site living quarters are provided, these quarters were not all habitable although they have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.		
Evidence	<p>On-site living quarters are provided to general workers and staff. Although PPE has provided the living quarters with basic amenities such as treated bore water and grid electricity yet the houses require repairs to ensure to be habitable .</p> <p>The Estate has purchased about 15K for the preliminary repair . PPE has used their petty cash of RM600 for the purchase of cement and sand</p> <p>Presently they have started to repair the drains, repaint the houses , repair roofing , gutter, rain harvesting , 2 room to 4 rooms and they have budgeted about RM160,000 for the repair yet the estate was not able to show the breakdown and the repairs required for each house row.</p> <p>A large section of the drains have yet to be repaired and a number of houses were already cordone off as the houses are due for serious repairs .</p>		
Close-out evidence:	<p>The estate has submitted on 19/4/19 the following Corrective Actions to address the identified minor non-conformities and was documented on an action plan and sent by the client to the auditor within 90 days for review. The actions are deemed to be satisfactory and they will be followed up at the next scheduled visit</p> <p><u>Root Cause / Potential Root Cause:</u></p> <p>No inspection done previously</p> <p><u>Correction / Remedial Action:</u></p> <p>Line site repairing is in progress and will be completed within 4-5 months.</p>		

NonConformity	N° 3 of 4	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Department / Function:	Worker representation	Standard Ref.: Indicator	4.4.5.13
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Open

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Details of Nonconformity	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 however they have not organize themselves for collective bargaining. Employees have yet to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.
Evidence	The management of the estate is respecting the right of the workers to form or join union that is described in the documented "Labour Right and Ethic Policy" established by the management of Padang Piol Estate. Although during Stage 1 verification confirmed that the workers are free to negotiate their right and working condition with the top management of the estate by liaising with the appointed SMO and utilizing the procedural forms as per in the Stakeholder Engagement Procedure yet it was known that the workers are not represented through a worker representation to ensure they have the right to organize and negotiate their work conditions.
Close-out evidence:	The estate has submitted on 19/4/19 the following Corrective Actions to address the identified minor non-conformities and was documented on an action plan and sent by the client to the auditor within 90 days for review. The actions are deemed to be satisfactory and they will be followed up at the next scheduled visit <u>Root Cause / Potential Root Cause:</u> Padang Piol did not have worker problems . All issues raised is settled during the worker management dialogue session <u>Correction / Remedial Action:</u> They have appointed worker representative , Mohd Khoriza b Abd Wahab

NonConformity	N° 4 of 4	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Department / Function:	Scheduled Waste Management	Standard Ref.:	4.5.3.3
Document Ref.:	MS2530-3:2013	Indicator	
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Open
Details of Nonconformity	Scheduled Waste storage not in accordance to established SOP Handling of Used Chemicals Procedure (ref doc: PRO-P5C3/HUC R00 dated on 01 June 2018)		
Evidence	Scheduled Waste storage not in accordance to established SOP Handling of Used Chemicals Procedure (ref doc: PRO-P5C3/HUC R00 dated on 01 June 2018. During site visit to Scheduled Waste Store, observed all scheduled wastes in the scheduled waste store were not labelled according to		

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	Environmental Quality (Scheduled Waste) Regulations 2005 and procedure mentioned above.
Close-out evidence:	<p>The estate has submitted on 19/4/19 the following Corrective Actions to address the identified minor non-conformities and was documented on an action plan and sent by the client to the auditor within 90 days for review. The actions are deemed to be satisfactory and they will be followed up at the next scheduled visit</p> <p><u>Root Cause / Potential Root Cause:</u></p> <p>Lack of awareness</p> <p><u>Correction / Remedial Action:</u></p> <p>Item / labelling displayed as per requirement</p>

8.2. Non-Conformity Statement MS2530-4:2013 Part 4

Not applicable for farm audit

Nonconformities detailed here shall be addressed through the organization's corrective action process, in accordance with the relevant corrective action requirements of the audit standard, including actions to analyse the cause of the nonconformity and prevent recurrence, and complete records maintained.

- Corrective actions to address identified major nonconformities shall be carried out immediately and SGS notified of the actions taken within 30 days. An SGS auditor confirm the actions taken, evaluate their effectiveness, and determine whether certification can be granted or continued.
- Corrective actions to address identified major nonconformities shall be carried out immediately and **records with supporting evidence sent to the SGS auditor** for close-out within 60 days.
- Corrective Actions to address identified minor non-conformities shall be documented on an action plan and sent by the client to the auditor within 90 days for review. If the actions are deemed to be satisfactory they will be followed up at the next scheduled visit
- Corrective Actions to address identified minor non-conformities have been detailed on an action plan and the intended action reviewed by the Auditor, deemed to be satisfactory and will be followed up at the next scheduled visit.
- Appropriate immediate action taken in response to each non-conformance as required

Note:- Initial, Re-certification and Extension audits – recommendation for certification cannot be made unless check box 4 is completed. For re-certification audits the time scales indicated may need to be reduced in order to ensure re-certification prior to expiry of current certification.

Note: At the next scheduled audit visit, the SGS audit team will follow up on *all* identified nonconformities to confirm the effectiveness of the corrective actions taken.

9. General Observations & Opportunities for Improvement

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9.1. Positive Observations

1. PPE usage was good even with contractor harvesters
2. Minimum wages comply and timely payment of salary
3. Provide employment to interstate workers e.g from Kelantan
4. Housing upgrading in progress

9.2. Opportunities for Improvements

- Surau location
- linesite road condition
- diesel oil trap design

9.3. Observations (Part 3)

Observations	N° 1 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	Laws	Standard Ref.: Indicator	4.3.1.1
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	
Details	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
Details of Observation:	<p>The estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>Ref: PPE-LST-P3C1/LRR 1/6/18 , Rev 00</p> <p>2) Local Act / Regulation / guidelines – 30</p> <p>3) International / ratified laws has not been included</p>		

Observations	N° 2 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	Stakeholder meeting	Standard Ref.: Indicator	4.4.1.1
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	

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Details	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.
Details of Observation:	<p>Verification during the audit showed that there is evidence that the Social Impact Assessment that has been conducted by the company covering the estate within the company's certification scope (Social Impact Assessment – Ref No. PPE-FOM-P4C1/SIA) that include the following to ensure identification , timetable and action taken to response :</p> <ol style="list-style-type: none"> 1) Stakeholder 2) Feedbacks 3) Stakeholder area of concern 4) SC No. 5) Positive/ negative 6) Need control measure? Yes/ No? 7) Action completion date 8) Status <p>Observed that the Assessment has been conducted on 9 April 2018 covering 58 stakeholders such as local authorities , smallholders , local communities and the suppliers. Based on the SIA no negative issues were raised.</p> <p>However upon checking on the issues discussed such as :</p> <ul style="list-style-type: none"> • Access and use rights • Economic livelihood and working conditions • Subsistence activities • Cultural and religious values • Health and education facilities • Other community values, resulting from changes in improvement of transport/communication/influx of migrant labour force. <p>were not documented that have a direct impact on the estate's operation; both positive and negative aspects</p>

Observations	N° 3 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	Annual Stakeholder meeting	Standard Ref.:	4.4.2.4
Document Ref.:	MS2530-3:2013	Indicator	
Document Ref.:		Issue / Rev. Status:	
Details	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.		
Details of Observation:	The audit team notes that the local communities has been made aware of the complaints through the stakeholder meeting conducted on 29 th March 2018.		

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	<p>However their 2019 annual stakeholder meeting is planned in June 2019 and it is overdue as the last meeting was in March 2018 . Reason: due to MSPO audits</p>
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Observations	N° 4 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	HIRARC	Standard Ref.:	4.4.4.2
		Indicator	
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	
Details	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).		
Details of Observation:	<p>All operation risk were assessed and documented in the HIRARC Form. The risk assessment has been established on 03 March 2018. Next review of the HIRARC will be conducted on 03 March 2019. However, the audit team observed that there is evidence of the HIRARC specifying two types of shoes within one identified operation area such as Spraying of Chemicals; to be used as part of the preventive and control measures for minimizing the risk i.e. safety shoes and wellington boots . However , the estate should also specify that supervision uses Safety boots , while spraying operation uses wellington boots</p>		

Observations	N° 5 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	Contract agreement	Standard Ref.:	4.4.5.6
		Indicator	
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	
Details	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.		
Details of Observation:	<p>Employment Contract and Appointment Letter for the workers are available. Information indicated in the document showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits see 4.4.5.5</p> <p>Padang Piol Estate has established an accurate record all employees as per in the Employee registration card provided by JTK , Pahang .</p>		

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The document contains the following was checked and some information were still missing :

- Nama
- Jantina
- K/P
- T/Lahir
- No. Permit Kerja dan tarikh luput
- No. KWSP and Perkeso : Not stated
- Tarikh mula kerja : 1/1/2014
- Tarikh Penamatan Pekerjaan

Butir 2 syarat Pekerjaan

- 1) Nama Majikan : Southern Realty (Malaysia) Sdn Bhd and Nama pekerja: Mohammad Radzuan bin wahid
- 2) Jawatan / Pekerjaan : Mandor
- 3) Kadar Gaji: RM42.31 / sehari
- 4) Kada Lebih masa biasa sejam: RM7.93
- 5) Lain Lain elaun
 - m/bike allowance: RM50.00
 - water attendant : RM150.00
- 6) Lain -lain
- 7) Cuti Rehat Mingguan : Ahad
- 8) Waktu kerja / sehari : 6;30 a.m – 2.30 pm
Masa rehat : 11:00 – 11:30 a.m
- 9) Tempoh Notis berhenti persetujuan kedua -dua pihak 1 bulan / minggu ? not stated
- 10) Cuti Am : 13 days
- 11) Cuti Tahunan :
 - 8 dyas for 12mths – 2 years
 - 12 days , for 2 – 5 years
 - 16 days for > 5 years
- 12) Cuti sakit Bergaji
- 13) Tempoh Pembayaran Gaji (Bulan , Mingguan , Harian , dll) not stated
- 14) Lain Lain syarat & kemudahan

Date: 1/1/19

Sign Majikan / chop

Sign worker date: 1/1/19

Observations	N° 6 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	Baseline of non-renewable energy monitoring	Standard Ref.:	4.5.2.1
Document Ref.:	MS2530-3:2013	Indicator	
		Issue / Rev. Status:	

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Details	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.
Details of Observation:	<p>Observed diesel & electricity (TNB) usage is being monitored on monthly basis as below:</p> <p><u>Diesel</u></p> <ul style="list-style-type: none"> • 2017 – 10.39 Lt/MT FFB • 2018 – 7.77 Lt/MT FFB <p><u>Electricity</u></p> <ul style="list-style-type: none"> • 2017 – 28,508 kWh • 2018 – 21,523 kWh <p>However, baseline values and trends were not observed for both diesel usage and electricity usage from the previous years.</p>

Observations	N° 7 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	Water Management plan	Standard Ref.:	4.5.5.1
Document Ref.:	MS2530-3:2013	Indicator	
Details	<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>		
Details of Observation:	<p>Main water source for the estate is from a borewell located in Field 2015.</p> <p>Although water usage from the borewell is being recorded on weekly basis, the ground water table was not measured as required by this indicator. No evidence of water table monitoring sighted during the audit.</p> <p>Despite not having river or natural tributaries stream flowing within or next to the estate, noted few areas have been declared as buffer zones. However, the width of the buffer zones was not clearly indicated. Sample from Field 2014.</p>		

Observations	N° 8 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	High biodiversity value	Standard Ref.:	4.5.6.1

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		Indicator	
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	
Details	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p>		
Details of Observation:	<p>Observed the estate appointed SRZ Corporation Services as consultant to published biodiversity report for all southern estate.</p> <p>The consultant was visited estate 11/2/2018. As the day of audit, the estate was only provided with draft report. The consultant has yet to return with the finalised audit report.</p> <p>Noted from the report, the biodiversity assessment was only done for Mammalians, Reptilians, Amphibians and Avifauna. No assessment was done for floral species or habitats. Based on conversation with the appointed consultant, the findings will be included in the finalised report version. This is to be verified in the next surveillance.</p>		

Observations	N° 9 of 9	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:	High biodiversity value	Standard Ref.:	4.5.6.2
		Indicator	
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	
Details	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p>		
Details of Observation:	<p>A bullet shell was found in the estate Field 2010 . As explained by the estate management, the shell could probably belong to villager that is staying in neighbouring village.</p>		

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	<p>Further explained by workers in vicinity that the bullet probably used by passers-by to shoot wild boar at night. Due to lack of evidence and information on this matter.</p> <p>An observation was raised and to be follow up in the next audit</p>
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9.3. Observations (Part 4)

Not applicable for farm audit

Appendix 1: Multi –Site Address List

Not applicable as this is a single site audit

Site name / Address	Audit Dates	Activities at this site
-	-	-

Appendix 2: List of Stakeholders Contacted

Stakeholders Details	Relationship	Stakeholder's Input / Comments	Clients Feedback / Response
Stakeholder's name and designation if any	e.g. contractors, local community, authority etc.	Comments given by stakeholder	Response by auditee
Harvesters, En Abdul Manaf Mohammad and En Zaki	Contractor harvester	Housing no issue Payment no issue	Not required
Jerantut Palm Oil mill	Palm Oil Mill	No issue on FFB quality	Not required
Hussin , House 25	Internal stakeholder	Housing repair done , domestic waste removal regular, toilet OK	Not required
Sundram A/L Pachippa	Harvesting contractor	Payment on time	Not required
MPOB , Pahang	Govt authorities	Licence	Padang Piol has communicated with MPOB




Appendix 3: MPOB License

Estate/Mill	MPOB License Number	Scope	Expiry Date
SOUTHERN REALTY (MALAYA) SDN BHD – PADANG PIOL ESTATE		Menjual dan Mengalih	31/03/2020

Appendix 4: Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings

SGS (Malaysia) Sdn Bhd and client acknowledge and confirms acceptance of the Report contents and including the assessment findings. SGS (Malaysia) Sdn Bhd and client accept the responsibility for addressing the opportunities of improvement detailed in this report.

Signed on behalf of SOUTHERN REALTY (MALAYA) SDN BHD – PADANG PIOL ESTATE	Signed on behalf of SGS (Malaysia) Sdn Bhd
<p>Name:</p> <p>Position :</p> <p>Date :</p>	 <p>Name: James S H Ong Position: Lead Auditor Date : 10/05/19</p>

-End of Report-

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