

## Nice Plantation Sdn. Bhd. Audit Summary Report

<b>Organization:</b>	<b>Nice Plantation Sdn. Bhd.</b>		
<b>Address:</b>	HQ Sub Lot 2063, Lot 2031, MCLD Block 4, Piasau Industrial Estate, 98000 Miri, Sarawak, Malaysia  Estate Address Lot 1-8, Sungai Samadan, Sibuti, 98000 Miri, Sarawak.  Contact person.: Kevin Yong Contact No.: 0131 868 7342 Email: <a href="mailto:goodmattersplant@gmail.com">goodmattersplant@gmail.com</a>		
<b>Standard(s):</b>	MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders	<b>Accreditation Body(s): STANDARDS MALAYSIA</b>	
<b>Representative:</b>	Contact person.: Kevin Yong (Director)		
<b>Site(s) audited:</b>	Nice Plantation Sdn. Bhd.	<b>Date(s) of audit(s):</b>	4 <sup>th</sup> December 2019
<b>EAC Code:</b>	Nil	<b>NACE Code:</b>	Nil
<b>Lead auditor:</b>	Abdul Khalik Bin Arbi (AKA)	<b>Additional team member(s):</b>	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

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system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 1 Major 2 Minors 2 Observation

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:

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<b>Address</b>		HQ Sub Lot 2063, Lot 2031, MCLD Block 4, Piasau Industrial Estate, 98000 Miri, Sarawak, Malaysia  Estate Address					
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	Lot 1-8, Sungai Samadan, Sibuti, 98000 Miri, Sarawak.		
	Contact person.: Kevin Yong Contact No.: 0131 868 7342 Email: goodmattersplant@gmail.com		
<b>MPOB License No.:</b>	509833002000	<b>Expiry date:</b>	01/03/2019 – 29/02/2020
<b>Scope of Activity:</b>	Menjual dan Mengalih FFB#	<b>Next Surveillance Audit</b>	<b>October 2020</b>
<b>Visit Number:</b>	<b>01</b>	<b>Actual Visit Date:</b>	<b>4<sup>th</sup> December 2019</b>
<b>Visit Due by Date:</b>	<b>Nil</b>	<b>For auditor information only</b>	
<b>Lead Auditor :</b>	Abdul Khalik Bin Arbi (AKA)		
<b>Audit Member</b>	Jeffrey Denis Ridu (JDR)		
<b>Additional Attendees and Roles</b>	Nil		
<b>Standard(s):</b>	MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders		
<b>Audit Language:</b>	English & Malay		
<b>Audit Scope:</b>	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 <b>MS2530-3:2013 Part 3</b>		

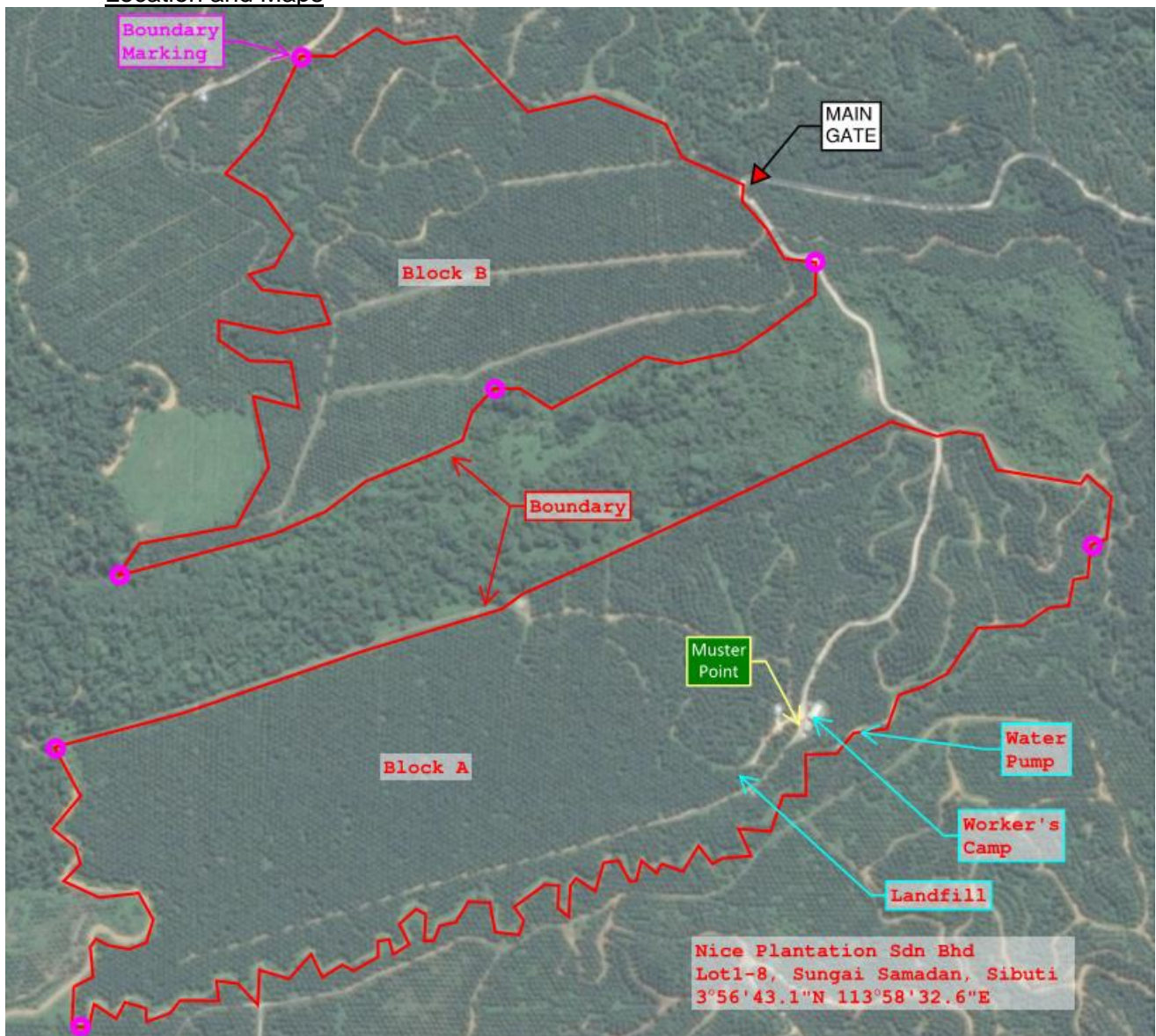
#### Audit Plan

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
4 <sup>th</sup> December 2019	7.30 am	AKA, JDR	Depart to Nice Plantation Sdn Bhd Estate Arrive at Estate Opening Meeting Audit Process (Site Visit)  <ul style="list-style-type: none"> <li>Principal 1: Management commitment and responsibility</li> <li>Principle 2: Transparency</li> <li>Principle 3: Compliance to legal requirements</li> <li>Principal 4: Social responsibility, health, safety and employment condition</li> <li>Principal 5: Environment, natural resources, biodiversity and ecosystem services</li> <li>Principal 6: Best Practice</li> <li>Principle 7: Development of New Plantings</li> </ul>	Estate Personnel

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	12.30pm		Lunch	
	1.00pm		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		Preparation for closing	
	5.00pm		Closing Meeting	
			Depart to Miri Airport	

## Location and Maps



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The Plantation area is located at Lot 1-8, Sungai Samadan, Sibuti, 98000 Miri, Sarawak. The GPS locations of the state are shown in Table 1.

**Table 1: GPS Location**

	Estate	Coordinates	Total Hectare (ha)	Total Planted Area (ha)	Unplanted Area (ha)
1	Nice Plantation Sdn Bhd	N 3.945306 E 113.975722	109	105.8	3.2

#### Description of Estate Production

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

**Table 1: FFB Production**

Month	FFB Production (Mt)		
	2018 (Actual)	2019 (Actual)	2020 (Projection)
January	281.635	238.81	301
February	240.07	296.84	301
March	213.89	291.38	301
April	267.9	299.5	301
May	272.4	255.61	301
June	248.32	242.57	301
July	219.03	271.64	301
August	228.63	300.85	301
September	283.75	279.87	301
October	240.81	260.45	301
November	291.68	272.34	301
December	291.61	277.00*	301
Total	3,079.725	3,286.86	3,612.00
*Projection			

#### Area Statement

Plantation	Total Area	Planted Area	Unplanted Area	Size Registered with MPOB
Nice Plantation Sdn Bhd	109 ha	105.8 ha	3.2 ha	109

#### Stakeholder Consultation and List of Stakeholders Contacted

A public announcement was made 30 days prior to the audit at <https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/nice-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:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u> MSPO Policy was available, displayed and implemented. Policy was in dual language (BM &amp; English), which signed by Director (Mr Yong Foh Yen) dated 1<sup>st</sup> December 2018. In the policy the Nice Plantation Sdn Bhd is committed to sustainable oil palm development in accordance to principle in Malaysia Standards MSPO: Part 3 – General Principles for Oil Palm Plantations and Organized Smallholders. Also committed to ensure continuous improvement to the management in sustainable oil palm development.</p> <p>Based on interview with Mr Kui Toh Ong@Kiew Toh Ong(Estate Supervisor), he aware regarding the policy.</p> <p>Observation (4.1.1.1) It was sighted all policies displayed were not dated.</p> <p>The policy was emphasized commitment to continual improvement. The policy was established on 1<sup>st</sup> December 2018.</p> <p><u>Internal Audit –</u> Internal Audit was plan at least twice a calendar year, to verify site operations continue to comply with the requirement of the management system and MS2530: Part 3 as well as documented procedures and effectively implemented and maintained. The internal audit was conducted on 22<sup>nd</sup> October 2019.</p> <p>Training on MSPO Documentation Briefing was done by NSL Consultancy Enterprise on 14<sup>th</sup> August 2019. Which attended by the auditor itself.</p> <p>The internal audit procedures and audit results was documented and evaluated, followed by the identification of strengths and root causes of nonconformities. Based on the internal audit report there was 4 findings was reported. Finding criteria as follows:</p> <ul style="list-style-type: none"> <li>• 4.5.3.2 Oil leak found on generator. Currently contained within drip tray and concrete bund.</li> <li>• 4.6.1.1 No work instruction displayed</li> <li>• 4.5.3.1 Waste not separated and no labels to be seen during inspection</li> <li>• 4.5.3.2 No Waste card available</li> </ul> <p>Based on the report, the closing for the NC during the internal audit closed on 14<sup>th</sup> &amp; 15<sup>th</sup> November 2019. As stated in internal audit procedure, the NC raised during the audit need to close within 1 month.</p> <p><u>Management Review –</u> The management review was conducted on 1<sup>st</sup> November 2019. Based on the minutes meeting, the agenda discuss as follows:</p> <ul style="list-style-type: none"> <li>✓ MSPO Certification Status</li> <li>✓ Manual, policy and procedures status</li> <li>✓ Results of internal audit</li> <li>✓ Preventive and correction action status</li> </ul>
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	<ul style="list-style-type: none"> <li>✓ Recommendations for improvement</li> <li>✓ Closing</li> </ul> <p><u>Continual Improvement -</u> It was sighted action plan for continual improvement was available, with consideration of the main social and environmental impact and opportunities of the company. Improvement area as follows:</p> <ul style="list-style-type: none"> <li>✓ PPE Storage Rack – install rack in between fertilizer store &amp; housing area.</li> <li>✓ Drainage behind linesite – Install PVC piping and bury underground</li> <li>✓ Landfill – Relocate and clear new area for landfill, barricade with warning tape.</li> <li>✓ Linesite - Plant flowers &amp; grass</li> <li>✓ Estate Workshop – Propose to construct workshop with concrete flooring, adequate roofing &amp; drainage</li> <li>✓ Chemical washbay – Install curtains</li> </ul>
Comment on Principle 2	<p><u>Transparency of information and documents relevant to MSPO requirements</u></p> <p>The estate management had provided Procedures for Request and Responses for handling written external requests for access to information from stakeholders. The requests for access to information submitted in other written format (letter, email or fax) will also be accepted. Procedures stated as follows:</p> <p>Immediately upon receipt.</p> <ul style="list-style-type: none"> <li>✓ Verify request received</li> <li>✓ Review request to see if records “reasonably described”</li> <li>✓ Determine response date or production date (14 working days) and diary date for response or production.</li> </ul> <p>Within 14 working days.</p> <ul style="list-style-type: none"> <li>✓ Determine if records exist in possession, custody or control</li> <li>✓ Ensure request is provided to correct department</li> <li>✓ Send request to officials, Employees, Board members who may have custody of records.</li> <li>✓ If records exist, determine how long to search, compile and reproduce.</li> <li>✓ Records should be provided in electronic format that is requested or in standard searchable format unless requester is unable to receive electronically.</li> <li>✓ Create and send a response letter</li> </ul> <p>The ensure confidentiality of the requester, only person in charge will handle the process until it response to the requester.</p> <p><u>Transparent method of communication and consultation</u></p> <p>The estate management had provided Procedures for Request and Responses for handling written external requests for access to information from stakeholders. The requests for access to information submitted in other written format (letter, email or fax) will also be accepted. Procedures stated as follows:</p> <p>Immediately upon receipt.</p> <ul style="list-style-type: none"> <li>✓ Verify request received</li> <li>✓ Review request to see if records “reasonably described”</li> </ul>

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Comment on Principle 3	<p><u>Regulatory requirements</u> All operations for Nice Plantation are compliance with the applicable local, state, national and ratified international laws and regulations. Example taken as follows:</p> <p>i. MPOB Licence Nice Plantation Sdn Bhd; Lot 1-8, Sungai Samadan, Sibuti, 98000 Miri, Sarawak No. Licence: 509833002000 Period: 01/03/2019 till 29/02/2020 Activities: 1) Menjual dan Mengalih FFB Estate hectarage: 109 Ha</p> <p>Map of area - Phase 1: 61.31 Ha; Phase 2: 44.50 Ha.</p> <p>ii. Tenancy Agreement made on 27/09/2004 for Phase 1 consist of 7 Lots with a total area of 171.2 Acres with quarterly rent. The agreement between Nice Plantation and Saran Ak Lepong for a period</p>

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	<p>of 25 years. Another Tenancy Agreement made on 27/12/2005 for Phase 2 comprise of 8 Lots with a total area of 83.8 Acres with quarterly rental paid. The agreement between Nice Plantation and Piri Ak Balok for a period of 25 years.</p> <p>A letter - "Permohonan Pengesahan Status Tanah Adat dan Native Communal Reserve (NCR) untuk Tujuan Pertanian" to the Permanent Secretary, Kementerian Pemodenan Pertanian Tanah Adat dan Pembangunan Wilayah Sarawak dated 11/04/2019 was sighted. Reply still pending.</p> <p>iii. Perakuan Pemerbadanan Syarikat Sendirian; SSM No. Syarikat 148187-U; Dated 10/03/2004.</p> <p>List of State and National Laws applicable to the Palm Oil Industry available. Latest update of Monthly Legal Monitoring Checklist was in 21/10/2019.</p> <p><u>Land Use Rights</u> All operations for Nice Plantation are compliance with the applicable local, state, national and ratified international laws and regulations. Example taken as follows: ii. MPOB Licence Nice Plantation Sdn Bhd; Lot 1-8, Sungai Samadan, Sibuti, 98000 Miri, Sarawak No. Licence: 509833002000 Period: 01/03/2019 till 29/02/2020 Activities: 1) Menjual dan Mengalih FFB Estate hectarage: 109 Ha</p> <p>Map of area - Phase 1: 61.31 Ha; Phase 2: 44.50 Ha.</p> <p>ii. Tenancy Agreement made on 27/09/2004 for Phase 1 consist of 7 Lots with a total area of 171.2 Acres with quarterly rent. The agreement between Nice Plantation and Saran Ak Lepong for a period of 25 years. Another Tenancy Agreement made on 27/12/2005 for Phase 2 comprise of 8 Lots with a total area of 83.8 Acres with quarterly rental paid. The agreement between Nice Plantation and Piri Ak Balok for a period of 25 years.</p> <p>A letter - "Permohonan Pengesahan Status Tanah Adat dan Native Communal Reserve (NCR) untuk Tujuan Pertanian" to the Permanent Secretary, Kementerian Pemodenan Pertanian Tanah Adat dan Pembangunan Wilayah Sarawak dated 11/04/2019 was sighted. Reply still pending.</p> <p><u>Customary Rights</u> There is no issue on legal acquisition of land ownership.</p>
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<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment (SIA)</u></p> <p>It was sighted Social Impact Assessment was made available during the audit. The report was prepared by Mr Yong Siew Lee, Consultation &amp; Communication Officer for Year 2019.</p> <p>The content of the report covers:</p> <ol style="list-style-type: none"> <li>(1) General Purpose of SIA</li> <li>(2) Company Profile</li> <li>(3) Estate Locality Map</li> <li>(4) Internal Stakeholders</li> <li>(5) Office/ Monthly Paid Employees</li> <li>(6) Estate Foreign Workers</li> <li>(7) External Stakeholders</li> <li>(8) Summary &amp; Status of Stakeholders Communication/ Grievances/ Complaint/ Request.</li> </ol> <p>The estate management had provided Procedures for Request and Responses for handling written external requests for access to information from stakeholders. The requests for access to information submitted in other written format (letter, email or fax) will also be accepted. Procedures stated as follows:</p> <p>Immediately upon receipt.</p> <ul style="list-style-type: none"> <li>✓ Verify request received</li> <li>✓ Review request to see if records “reasonably described”</li> <li>✓ Determine response date or production date (14 working days) and diary date for response or production.</li> </ul> <p>Within 14 working days.</p> <ul style="list-style-type: none"> <li>✓ Determine if records exist in possession, custody or control</li> <li>✓ Ensure request is provided to correct department</li> <li>✓ Send request to officials, Employees, Board members who may have custody of records.</li> <li>✓ If records exist, determine how long to search, compile and reproduce.</li> <li>✓ Records should be provided in electronic format that is requested or in standard searchable format unless requester is unable to receive electronically.</li> <li>✓ Create and send a response letter</li> </ul> <p>The ensure confidentiality of the requester, only person in charge will handle the process until it response to the requester. Currently there was no complaints and grievance recorded during the audit conduct.</p> <p>Based on interview with the workers, they was aware regarding the complaints and grievance procedure.</p> <p><u>Complaints and grievances</u></p> <p>The estate management had provided Procedures for Request and Responses for handling written external requests for access to information from stakeholders. The requests for access to information submitted in other written format (letter, email or fax) will also be accepted. Procedures stated as follows:</p> <p>Immediately upon receipt.</p> <ul style="list-style-type: none"> <li>✓ Verify request received</li> <li>✓ Review request to see if records “reasonably described”</li> <li>✓ Determine response date or production date (14 working days)</li> </ul>
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	<p>and diary date for response or production.</p> <p>Within 14 working days.</p> <ul style="list-style-type: none"> <li>✓ Determine if records exist in possession, custody or control</li> <li>✓ Ensure request is provided to correct department</li> <li>✓ Send request to officials, Employees, Board members who may have custody of records.</li> <li>✓ If records exist, determine how long to search, compile and reproduce.</li> <li>✓ Records should be provided in electronic format that is requested or in standard searchable format unless requester is unable to receive electronically.</li> <li>✓ Create and send a response letter</li> </ul> <p>The ensure confidentiality of the requester, only person in charge will handle the process until it response to the requester. Currently there was no complaints and grievance recorded during the audit conduct.</p> <p><u>Commitment to contribute to local sustainable development</u></p> <p>Currently the growers provide the consultation with the local communities during stakeholders meeting. Stakeholder meeting was conducted on 22nd October 2019, time 1.00 pm and minutes of the first (1st) Stakeholders Meeting was established. The meeting was attended by 7 persons example from Land owners – Rajina ak Uli &amp; Endit ak Lepong. Employees safety and health.</p> <p><u>Employees Safety and Health</u></p> <p>It was sighted the Safety and Health Policy was displayed at notice board at the estate store area and office. It was sign by Mr Yong Foh Yen (Executive Director) dated on 30<sup>th</sup> December 2018. Based on interviewed with workers, they aware regarding the policy.</p> <p>a) It was sighted the safety and health policy was displayed and in dual language understandable by workers.</p> <p>Among the safety objective:</p> <ul style="list-style-type: none"> <li>- To compliance with the Occupational Safety and Health Act 514, 1994 and Regulations made thereunder.</li> <li>- Regularly training and educating all concerned on health and safety measures by making them aware and practice the standards required to ensure and to promote a safe and healthy work culture.</li> <li>- Providing relevant information and instructions on safety and welfare to all categories of employees by regularly updating and enforcing those standards and safety procedures.</li> </ul> <p>b) It was sighted risks of all operation was assessed. Random sample was asked to the Safety Officer, the auditor asking HIRARC for Diesel and Lubricant store area, it was available in the HIRARC report.</p> <p>c) Yearly training programmed for year 2019 was available Proposed training to be conducted listed under category as below:</p> <ul style="list-style-type: none"> <li>✓ MSPO Awareness Training: The latest training was conducted on</li> </ul>
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	<p>27.09.2019</p> <ul style="list-style-type: none"> <li>✓ Safety Work Training <ul style="list-style-type: none"> <li>- Briefing on OSH Policy: Training was conducted on 27.09.2019</li> </ul> </li> <li>✓ Environmental Training</li> <li>✓ Social Training</li> <li>✓ Best Practices</li> </ul> <p>d) It was sighted record of PPE was made available in the estate record and recorded sighted as follows:</p> <ul style="list-style-type: none"> <li>✓ Almizan Malin , 1<sup>st</sup> June 2019, , safety helmet, safety vas, safety boot and safety gloves.</li> <li>✓ Jusnaeni, 1<sup>st</sup> March 2019, safety helmet, safety vas, safety boot and safety gloves, chemical safety gloves, respirator 3M, safety glasses and apron</li> </ul> <p>d) The management has established Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. It was divided by four procedures as follows:</p> <ul style="list-style-type: none"> <li>✓ SOP for Storage and Handling of Chemical</li> <li>✓ SOP for Storage and Handling Fertilizers</li> <li>✓ Diesel/ Oils (Lubricants)</li> <li>✓ SOP for Handling of used Empty Chemical Containers</li> </ul> <p>Based on site visit in the estate, it was sighted the empty chemical containers was properly handle such as done triple rinsing and punctured.</p> <p>It was sighted, labelling was properly labelled as per requirement in Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997.</p> <p>f) It was sighted appointment letter for OSH committee members was available in estate management record. It can be verified in Principle 1 File. Among the OSH committee member as follow: Mr Kiew Toh Ong, dated 1<sup>st</sup> January 2019 which appointed by Mr Yong Foh Yen (Executive Director).</p> <p>g) Since this estate is medium scale, the communication between employees and employer regarding the safety matter, it was conduct weekly basis. Example sighted GM Weekly Meeting No.1, dated on 27<sup>th</sup> September 2019.</p> <p>h) It was sighted Accident and emergency procedures was available. With title Procedures for Accident and Emergency Response.</p> <p>Major 1 (4.4.4.2) Implementation of safety and health aspects were found lacking. Evidence sighted as follows:</p> <ol style="list-style-type: none"> <li>1. First aid kit at operation area was not available.</li> </ol>
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	<p>2. Emergency assembly point signage was available but no emergency layout plan available.</p> <p><u>Employment Conditions</u> The management had established Employment Policy, to providing work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercing or disruptive, including no child labour. The policy was signed by Mr Yong Foh Yen, Executive Director dated 01/01/2019. A Sexual Harassment Policy is sighted for both estates. The policies are communicated to the employees by display at the site office, line site and workshop area in dual languages of English and Bahasa Malaysia. Based on interviewed with workers, they aware regarding the policy.</p> <p>It was observed the equal opportunity statement by the top management was included in the Social Policy. In the policy it was stated the company is committed to providing equal opportunities and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin, sexual orientation or any other distinguishing characteristics.</p> <p><u>Training and Competency</u> Training records for <u>Nice Plantation Sdn Bhd</u> seen as follows: (1) 21/06/2019 - Basic fire fighting conducted by Dr James; Attended by 7 participants. (2) 27/09/2019 - MSPO awareness, Policies, PPE and SDS conducted by Hilary Blitang Awell (NSL Consultancy) attended by 11 participants. (3) 14/11/2019 - Scheduled waste handling and record by Mr Yong Tze Wui attended by 2 supervisors. (4) 14/11/2019 - Sexual harassment policy; Complaints &amp; grievance procedure; Environmental policy; No open burning; storage of tools, PPE, class 1 &amp; 2 chemicals; emergency contacts; muster point; location of first aid and fire extinguishers; conducted by Mr Yong Tze Wui attended by 10 participants. 28/11/2019 - Operation and service procedures: Robin water pump and Kubota generator conducted by Mr Yong Tze Wui, attended by 3 participants.</p> <p>Minor 2 (4.4.6.2) Training needs of individual employees was not identified. Annual training programme and training records were sighted, however training matrix for individual workers was not available.</p>
<p>Comment on Principle 5</p>	<p><u>Environmental Management Plan</u> It was sighted the Environmental Policy was display and signed by Mr Yong Foh Yen (Executive Director) dated on 30<sup>th</sup> December 2018. In the environmental policy, the estate committed to:</p> <ul style="list-style-type: none"> <li>✓ Comply to environmental laws related to the palm oil industry.</li> <li>✓ Protect and preserve flora and fauna by improving the system continuously</li> <li>✓ Prevent and controlled air, water and soil pollution by managing leftovers of waste materials based on the laws that are provided.</li> <li>✓ Ensure training, information, instructions and restrictions related to the environmental were given and communicated to the employee, workers, contractors and stakeholders.</li> </ul>



Either the that, the estate management also provided Environmental Aspects and Impacts. Example activities sighted as follows:

- ✓ Maintenance of machineries
- ✓ Changing of vehicle tyres
- ✓ Mixing of Chemical

#### Efficiency of energy use and use of renewable energy

It was observed Records for consumption of diesel was available years past. Usage of diesel consumption list as below.

Year	2018	2019*
Budget (Liters)	30,800	30,800
Actual (Liters)	15,400	11,600

\*as December only

As shown in Table above, usage of diesel for year 2017 to 2018 decreased due to changes of electric power supply from ganset to SESCO.

#### Waste management and disposal

During audit conduct, the estate management able to identify all waste products and sources of pollution.

Based on interview with Mr Yong Tze Wui Manager), he able to provide sources of pollution, some example as follows:

- Estate Workshop
- Chemical Store
- Fertilizer Store
- Scheduled Waste Store
- Generator Room
- Water Pump
- Manual Spraying
- Manual Manuring
- Pruning
- Drain Desilting/ Construction
- Road Repairs/ Consultation

The estate management was provide management plan to avoid or reduce pollution. The management plan was include;

- ✓ Identifying and monitoring sources of waste and pollution. Example sighted as follows;
  - Sediment run off due to road repair/ construction, control measure taken by install or erect temporary sediment filtration system to lessen the impact the impact of sediment to the river.
  - Riparian Reserve Contamination due to Manuring activities, control measure taken by the estate is strictly no spating of any kind is to be done at these area. It was sighted marking of buffer zone was done at Sg. Samadan.
  - Triple rinse for empty containers was practice in this estate. It was sighted all of empty containers in scheduled waste store was triple rinse and pictured at designated area in the store

#### Reduction of pollution and emission

An assessment of all polluting activities was conducted as follows:

- ✓ including greenhouse gas emissions: It was sighted the estate management had provided calculation of emissions with total emissions 13,453 kg CO<sub>2</sub>eq per ha per year.
- ✓ Scheduled wastes: It was sighted Consignment note for scheduled wastes, dated 15.11.2019 with no.: 12144. Waste contaminated soil.
- ✓ solid wastes: come from labour line and site office and
- ✓ Effluent: Human waste which is channel to septic tank for treated.

Action Plan to reduce identified significant pollutions and emission was establish and implemented by the estate management. Action plan taken sighted as follows:

- ✓ Transporting chemical to estate from supplier, control measure taken such as:
  - Constant maintenance of lorry to ensure that generation of air pollutants are kept at minimum level.
  - Use lorry to transport a large load instead off a small load to prevent increased number of trips
- ✓ Running of generator, control measure such as follows:
  - Generator is situated far away from residential and others buildings.
  - Muffers or sound absorbants is buit into the generator or its shed to reduce the level of noise generated.

#### Natural water resources

Establishment of water management plan was available by estate management which to maintain the quality and availability of natural resources. The water management palm include as follows:

- a) Assessment of water usage and sources of supply. The source of water supply come from river (Sg. Samadan) and rain water.
- b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. Optimise rainwater collection for domestic use by providing water tanks and installing gutters to maximise rain water collection.
- c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). Optimise rainwater collection for domestic use by providing water tanks and installing gutters to maximise rain water collection.
- d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. Planting legume cover crops on inland soils and undulatimng hilly terrain.

Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. Riparian area was sighted and well maintained and marked with red colour at respective oil palms trees.

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

Minor 3 (4.5.6.1)

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	<p>It was sighted Biodiversity report available and the report was found inadequate. It was observed the biodiversity report was available during the audit. However, it was not reflecting the estate itself but more focused on Sarawak in general.</p> <p><u>Zero Burning Practices</u> Not applicable at this moment.</p>																									
Comment on Principle 6	<p><u>Site Management</u> The Standard Operating Procedures sighted such as:</p> <p>(1) Harvesting (2) Manuring (3) Spraying (4) Handling of Used Empty Chemical Containers (5) Waste Management Procedure (6) SOP for Domestic Waste Management (7) SOP for Storage and Handling of Chemical (8) SOP for storage and Handling Fertilizers. (9) SOP for Storage and Handling of PPE</p> <p>Example inside content: Harvesting - a) Pre-harvest operation;-</p> <p>a. Harvesting path b. Flat, rolling &amp; undulating areas. c. FFB Quality Control d. Harvesting standard e. Harvesting intervals f. FFB Grading</p> <p>Best practices are adapted from the Field Handbook by Ian Rankine and Thomas Fairhurst.</p> <p>Observation (4.6.1.1) It was sighted road side drains were not enough to cater for volume of surface runoff.</p> <p><u>Economic and Financial Viability Plan</u> Similarly for Nice Plantation Sdn Bhd with crop forecast for 2019 at 3,388 MT and 3,612 MT for 2020.</p> <p>Review of performance</p> <table><tr><th></th><th colspan="2">2018</th><th colspan="2">2019</th></tr><tr><th></th><th>Budget</th><th>Actual</th><th>Budget</th><th>Actual (up to Nov)</th></tr><tr><td>Ha</td><td>109</td><td>109</td><td>109</td><td>109</td></tr><tr><td>MT</td><td>3,470.00</td><td>3,079.73</td><td>3,290.00</td><td>3,010</td></tr><tr><td>YPH</td><td>31.83</td><td>28.25</td><td>30.18</td><td>27.61</td></tr></table> <p>A 3-year Production Analysis for 2018 - 2020 in graphical form sighted. Forecast FFB for 2020 at 3,612 MT.</p> <p><u>Transparent and fair price dealing</u> Contract Agreement for sale and FFB Purchase Agreement between Nice Plantation Sdn Bhd and Binu Plantations Sdn Bhd (Binu Palm Oil Mill) made on 01/11/2019 for a period of 1 year. Valid until 31/10/2020. Schedule 1 contains:</p>		2018		2019			Budget	Actual	Budget	Actual (up to Nov)	Ha	109	109	109	109	MT	3,470.00	3,079.73	3,290.00	3,010	YPH	31.83	28.25	30.18	27.61
	2018		2019																							
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	(1) FFB Price Calculation (2) Bunch weight category / OER and KER awarded (3) FFB Quality Standard (4) Frequency of FFB Grading  <u>Contractor</u> The estate size in small scale, by that No contractor appointed.
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## 7. Nonconformities

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

Non- Conformity	N° 1	Major 1	
	<b>Date Recorded&gt;</b> 4 <sup>th</sup> December 2019	<b>Due Date&gt;</b> 3 <sup>rd</sup> Feb 2019	<b>Date Closed&gt;</b> 18.12.2019
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 Conformity	The occupational safety and health plan shall cover the following: (a) –( j)		
Details of Nonconformity:	Implementation of safety and health aspects were found lacking		
Objective Evidence:	Evidence sighted as follows: 3. First aid kit at operation area was not available. 4. Emergency assembly point signage was available but no emergency layout plan available.		
Root Cause	1. First aid kits already available at labour quarters & office. 2. Training already provided but layout plan was not attached to notice board.		
Action Plan:	1. First Aid kit will be supplied to supervisor. 2. Retraining will be provided and emergency layout plan attached to notice board		
Close-out evidence:	The estate management had taken necessary action to ensure the nonconformity closing accordingly. Kindly refer Appendix 1a, 1b and 1c.		

Non- Conformity	N° 2	Minor 2	
	<b>Date Recorded&gt;</b> 4 <sup>th</sup> December 2019	<b>Due Date&gt;</b> 3 <sup>rd</sup> September 2019	<b>Date Closed&gt;</b> 18.12.2019
Department / Function:	Administrative	Standard Ref.: Indicator	MSPO 2350-Part 3 4.4.6.2
Document Ref.:	Criteria 6: Training and Competency	Issue / Rev. Status:	Closed
Details of	Training needs of individual employees shall be identified prior to the planning and		

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Conformity	implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.
Details of Nonconformity:	Training needs of individual employees was not identified.
Objective Evidence:	Annual training programme and training records were sighted, however training matrix for individual workers was not available.
Root Cause:	Training matrix is available but not comprehensive enough. Training only designated by work type
Action Plan:	Provide training matrix for individual workers
Close-out evidence:	Training matrix for individual workers was done accordingly. Refer Appendix 2.

Non- Conformity	N° 3	Minor 3	
	<b>Date Recorded&gt;</b> 4 <sup>th</sup> December 2019	<b>Due Date&gt;</b> 3 <sup>rd</sup> September 2019	<b>Date Closed&gt;</b> 18.12.2019
Department / Function:	Administrative	Standard Ref.: Indicator	MSPO 2350-Part 3 4.5.6.1
Document Ref.:	Criteria 6: Status of rare, threatened, or endangered species and high biodiversity value area.	Issue / Rev. Status:	Closed
Details of Conformity	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: (a) – (b)		
Details of Nonconformity:	Biodiversity report was found inadequate.		
Objective Evidence:	It was observed the biodiversity report was available during the audit. However, it was not reflecting the estate itself but more focused on Sarawak in general.		
Root Cause:	Insufficient information available to identify protected plants.		
Action Plan:	Contact Sarawak Forestry for photos and interview workers to assist with identifying protected plants.		
Close-out evidence:	The estate management had taken necessary action to ensure non conformity closing accordingly. Kindly refer Appendix 3.		

## Observation

Observation	N° 1
	<b>Date Recorded&gt;</b> 4 <sup>th</sup> December 2019
Department / Function:	Administrative
Document Ref.:	Criteria 1: MSPO Policy
Objective Evidence:	It was sighted all policies displayed were not dated
Close-out evidence:	See website nplantation.business.site

Observation	N° 2
	<b>Date Recorded&gt;</b> 4 <sup>th</sup> December 2019
Department / Function:	Administrative
Document Ref.:	Criteria 1: Site Management
Objective Evidence:	It was sighted road side drains were not enough to cater for volume of surface runoff.
Close-out evidence:	See appendix 4

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## 8. General Observations & Opportunities for Improvement

### Positive Observations:

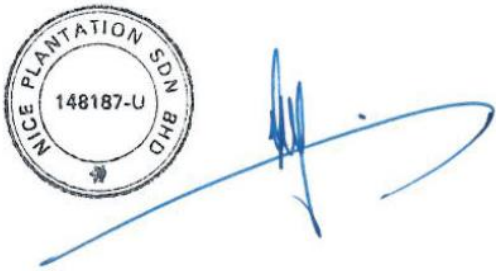

- The support from Nice Plantation Sdn Bhd personnel, especially the ground staff contribute to the smoothness and successful of the audit process.
- The spirit of unity and enthusiasm of the personnel towards achieving MSPO certification is impressive.
- The unit has dedicated staffs who are assets to the company. Their cooperative, knowledgeable and hospitality 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
<u>Wargo Trading Sdn. Bhd.</u> External Manager	No issue raised	Supplier
<u>MJM (POM) Sdn Bhd</u> External Mill Manager	No issue raised	Palm Oil Mill
<u>Worker</u> Internal	No issue raised	Interview during audit conducted.

Signed on behalf of <b>Nice Plantation Sdn Bhd</b>	Signed on behalf of <b>SGS Malaysia Sdn Bhd</b>
 <p>Mr Yong Foh Yen Director</p>	 <p>Abdul Khalik Bin Arbi , Lead Auditor</p>