



Certification International


Audit Summary Report

5th March 2020

Company name	Mengkebang Rubber Company Sdn Bhd
Company Registration Number	3735 - D
Address	Mengkebang Rubber Co. Sdn Bhd, Ladang Mengkebang, Kuala Krai, 18000 Kelantan, Malaysia
Report no	MR3/20/MSPO/23
Standard	MS2530:2013 Part 3 (MSPO)
Audit type	Main Assessment
Audit Scope	Cultivation of Oil Palm Fresh Fruit Bunch in Compliance to MSPO MS2530-3:2013
Number of Mill	-
Mill Capacity	-
Number of Estate	1
Certified Area (Ha)	957.42
Telephone	09-9666242
E-mail	mengkebangestate@gmail.com
Fax	09-9665242
Website	-

We are proud to be selected as your business partner and thankful for your cooperation and hospitality throughout the assessment. The purpose of this report is to contain all findings captured during the assessment including strengths, opportunities, and weaknesses of your organization to assist you in maintaining best practices and carrying out future improvements. For your acknowledgement, the assessment was done based on sampling method where your records, documentations and practices were subjected to. Therefore, certain areas or processes may not be verified on its compliance against the audit standard. However, we ensure that all necessary actions have been taken to provide assurance on the accuracy of report. This report was prepared in compliance to the ISO 17021:2011 requirements.

To ensure the next assessment will be carried out in compliance to the ISO 17021:2011, kindly immediately notify MR3 Certification International of any significant changes made relevant to your organization as it may impact the validity of your certification. Such circumstances include, changes relating to applicable legal, commercial, organizational status or ownership, organization and management (e.g. key managerial, decision making or technical staff), contact address and sites, scope of operations under the certified management system, and major changes to the management system and processes. Together we will ensure the smoothness of the upcoming assessment. Thank you for your endless support and we look forward to continuing our partnership for many years to come.

	Prepared By	Client's Acceptance
Sign		
Name	Afiq Othman	Company Stamp
Date	5/3/2020	
Email	afiq@mr3cert.com	

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Executive Summary

The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards. The scheme owns by a body called Malaysian Palm Oil Certification Council (MPOCC) monitors the MSPO Certification Scheme for the whole country. The participation started off with voluntary basis in 2015 and it has been made compulsory by the Malaysian government in 2018. This effort is to showcase that small nation as Malaysia could produce and deliver sustainable palm oil to the rest of the world. At the moment of this report was produced, MSPO Certification Scheme can be classified into two types of certifications namely Oil Palm Management Certification and Supply Chain Certification. Oil Palm Management Certification is a process that sets the standards for responsible management of palm oil plantations, smallholdings and palm oil processing facilities. The certification process is run by an accredited third party certification body to assess and verify that the oil palm management is in compliance with the standard's requirements as prescribed in the MSPO standards. Whereas Supply Chain Certification applies to parties (mainly companies) who process, trade or manufacture palm oil from certified oil palm management units. It shows the link of the palm oil (product) from the mill to the final product, keeping certified palm oil product separated from its uncertified counterpart, thus ensuring the value of certification right through the value chain to the customer.

Oil Palm Management Certification comprises of 4 different MS2530:2013 standards (Part 1, 2, 3 & 4) to tailor different category of player in the palm oil industry such as Independent Smallholder, Organised Smallholder/ Plantation and Palm Oil Mill. Each standard contains 7 generic principles which form the general requirements of a management system framework, based on the three pillars of sustainability, i.e. economically viable, socially acceptable, and environmentally sound. Those principles are (Management Commitment & Responsibility), (Transparency), (Compliance to Legal Requirement), (Social Responsibility, Safety, Health and Employment Condition), (Environment, Natural Resources, Biodiversity and Ecosystem Services), (Best Practices) & (Development of New Planting).

With the establishment of MSPO Certification Scheme, MPOCC mission is to establish and operate a credible and internationally recognised national palm oil certification scheme towards promoting sustainable management of oil palm in Malaysia.

Section A General Information

General	
Audit objectives	<input checked="" type="checkbox"/> To verify that the system initial implementation is in accordance to requirements of the standard adopted.
	<input type="checkbox"/> To verify that the system implementation is continuously in accordance to the requirements of the standards adopted.
	<input type="checkbox"/> To verify that the system implementation is continuously after and in third years of implementation is in accordance to the standards adopted.
	<input type="checkbox"/> Other, (please specify)
Integrate Assessment	No
Issue of certificate	Yes

Scope of Certification	
Scope of certification in English	Cultivation of Oil Palm Fresh Fruit Bunch in Compliance to MSPO MS2530-3:2013
Requirement not being applicable	Principle 7 of MS2530-3:2013
Justification	The company does not have new planting in place
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Kapt (B) Noorshah B. Abdol Aziz
Designation	Estate Manager
Alternate contacts	-
Management Representative contact no.	019-2323684
E-mail address	Captbnoorshah1951@gmail.com
Fax Number	-
Fixed Line Number	-
Number of Group Member	-

Section B Previous Audit Result

The result of the last audit system have been reviewed, in particular to ensure appropriate correction and corrective action has been implemented to address any non-conformity identified. This review has concluded that:

<input type="checkbox"/>	No non-conformity have been raised during last assessment.
<input type="checkbox"/>	Any non-conformity identified during last previous audit have been corrected and the corrective action continuous to be effective.
<input type="checkbox"/>	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

Section C Audit Conclusion

The audit team conducted a process based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.

The audit team concludes and express

CONGRATULATION and has

CONGRATULATION however some processes need to address non-compliance(s) but others has

SORRY and the organization has not established and maintained its management system in line with the requirements of the standard and

demonstrated

not demonstrated

the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are 0 unresolved issue(s).

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

Granted/ Continued

Granted upon acceptance of the necessary corrective action plan(s) and implementation

Continued upon acceptance of the necessary corrective action plan(s) and implementation

- Withheld
- suspend until satisfactory corrective action(s) is completed
- Others (please specify)

Note :

For every Major Nonconformity raised: Relevant action plan must be submitted to the auditor and implementation must carried prior to certificate issuance.

For every Minor Nonconformity raised: Relevant action plan must be submitted to the auditor before certificate issuance and the implementation will be verified during the next assessment

Section D (For Re-certification only)

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Throughout the audit process, the management system demonstrates overall conformance with the requirements of the audit standard	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section E Auditor and Auditee Information

MR3 Assessors	Attendance during opening and closing meeting	
Team Leader	Name	Designation
Afiq Othman (AO)	1. Captain Noorshah Abdul Aziz	Estate Manager
Team member	2. Muhammad Haziq Mohd Hatta	Field Staff
-	3. Muhamad YusnizaMamat	Field Staff
Trainee auditor	4. Marzuki Awang	Field Staff
Kamarulzaman Abu Bakar (KAB)	5. Che Hasnah Che Draman	2 nd Clerk
Observer	6. Lina Ab Aziz	Admin Clerk
-	7. Norsyazana Ahmad	General Clerk

MR3 Assessors	Role	Qualification, Education, Working Experience.
Afiq Othman (AO)	Lead Auditor	<p><u>Education</u></p> <p>- Afiq Othman graduated in BSc (Hons) Marine Technology from UniversitiTeknologi MARA</p> <p><u>Work Experience</u></p> <p>- At least three (5) years of work experience working for Sime Darby Plantation Berhad overseeing Sustainability Certification, Environment, Safety and Health.</p> <p>- He has over a year experience working in SGS (M) Sdn Bhd as Lead Auditor in 2018 & 2019.</p>

		<p><u>Training</u></p> <ul style="list-style-type: none"> - Afiq Othman obtained MSPO Auditor Training dated 19th – 22nd March 2018 and MSPO SCCS Training dated 17th - 18th December 2018 conducted by SGS (M) Sdn Bhd. - Afiq Othman has attended and passed IRCA ISO 9001:2015 and IRCA ISO 14001:2015 courses completed in April and March 2018 respectively. The training conducted by SGS (M) Sdn Bhd. <p><u>Auditing Experience</u></p> <ul style="list-style-type: none"> - He has met the minimum hours to fulfill this requirement under the direction SGS (M) Sdn Bhd. He is a qualified MSPO Lead Auditor since December 2018.
<p>Kamarulzaman Abu Bakar (KAB)</p>	<p>Audit Member (Principle 1, 2,3 & 6)</p>	<p><u>Education</u></p> <ul style="list-style-type: none"> - Kamarulzaman B. Abu Bakar Diploma graduated in Plantation Management and Technology from University Malaysia Pahang (UMP) <p><u>Work Experience</u></p> <ul style="list-style-type: none"> - At least (5) years of work experience working for Sime Darby Plantation Berhad and another (5) years work

		<p>experience with KDYMM</p> <p>Pahang overseeing</p> <p>Sustainability Certification, Environment, Safety and Health.</p> <p>- He has experience in RSPO Certification documentation preparation in Dusun Durian Estate, Selangor West Zone, Sime Darby Plantation Berhad</p> <p><u>Training</u></p> <p>- Kamarulzaman B. Abu Bakar obtained MSPO Auditor Training dated 23rd – 25th Apr 2019 and conducted by OSH ISIS (M) Sdn Bhd.</p> <p><u>Auditing Experience</u></p> <p>- He has met the minimum hours to fulfill this requirement under the direction MR3 (M) Sdn Bhd.</p>
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Section F Audit Process Matrix

Audit Matrix (legend “” plan to cover & covered, “” for not applicable)

Planned month & year	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024
Site(s) visited/to be visited	1. MRCS B	1. MRCS B	1. MRCS B	1. MRCS B	1. MRCS B
Internal Audits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stakeholder consultation / survey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of logo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Follow-up from previous audit finding	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.2 Internal audit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.3 Management Review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.4 Continual Improvement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2 Transparency					
4.2.1 Transparency of information and documents relevant to MSPO requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.2 Transparent method of communication and consultation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.3 Traceability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.2 Land use rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.3 Customary land rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

4.4 Social responsibility, health, safety and employment condition					
4.4.1 Social impact assessment (SIA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.2 Complaints and grievances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.4 Employees safety and health	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.5 Employment conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.6 Training and competency	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5 Environment, natural resources, biodiversity and ecosystem services					
4.5.1 Environmental management plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.3 Waste management and disposal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission including green house gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.6 Status of RTE species and high biodiversity value area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burning practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6 Best Practices					
4.6.1 Mill management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.4 Contractor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Assessment man days for the next assessment: 2md. Recertification: 2025

Note: Recertification should be carry out minimum 2 months prior to the expiry of the certificate

Section G Audit Methodology, Plan, Non-Conformance & Observation

Summary of Area Audited

Auditor	Date	Time
1. Afiq Othman 2. Kamarulzaman Abu Bakar	3 March 2020	0800 - 1700

Sampling Methodology

Sampling of the operating units to be audited has been conducted in accordance to the Risk Management (MPOB/MSPO/RMP/06) documents as below:

$$S = r/\sqrt{n}$$

Risk Factor: Low (1.0)

$$S = 1.0 (\sqrt{1}) = 1$$

1.0 estates to be visited

Since this is an individual certification, sampling method is not applicable.

Audit Plan

Date	Time	Assessor	Business area / process	Clause	
3/3/2020	0900	AO/KAB	Introduction by client		
			Opening meeting at Mengkebang Rubber Company Sdn Bhd		
	0915	AO/KAB	Management commitment & responsibility	4.1	
			Transparency	4.2	
			Compliance to legal requirement	4.3	
			Social responsibility, health, safety & employment condition	4.4	
	1230			BREAK	
	1330	AO/KAB	Environment, natural resources, biodiversity and ecosystem services	4.5	
Best practices			4.6		

			Development of New Planting (if any)	4.7
	1700	AO/KAB	Closing Meeting	

Site's Information

1. Group Background

Mengkebang Rubber Company Sdn Bhd (3735 – D) was originally incorporated on 29 February 1960 as Mengkebang Rubber Company Limited and assumed its present name on 15th April 1966. It is situated at Mengkebang Estate, 18000 Kuala Krai, Kelantan. The authorized and paid-up capital of the Company is RM 770,000.00.

The Company is principally engaged in the cultivation of oil palm trees. The total area of the estate is 957.42 hectares, with a total planted area of 956.71 hectares. Apart from palm oil cultivation, the company is also involved in Livestock (cattle) integration in the estate.

The Company has a great plan ahead towards the expansion of oil palm cultivation. By embracing best practices, whether in governance, management, or operations, the company seeks to ensure that the value creation potential of our business is fully realized.

2. Site(s) Address List

Estate/ Mill	Location Address	Geo-Coordinate
LadangMengkebang	Mengkebang Rubber Co. Sdn Bhd, LadangMengkebang, Kuala Krai, 18000 Kelantan, Malaysia	N5.558725° E102.199530°

3. MPOB License(s)

Estate/ Mill License Number	Scope of Activity	Expiry Date
Mengkebang Rubber Co. Sdn Bhd 501471102000	Menjual dan mengalih FFB	31/3/2021

4. Description of Operating Unit(s)

Estate	FFB Production (MT)	
	Period:	
	Actual last FY	Estimated new FY
LadangMengkebang	9,186.21	12,000.00
Total	9,186.21	12,000.00

5. Area Statement

Estate	Certified/ Titled Area (Ha)	Planted Area		Conservation Area (Ha)	HCV Area (Ha)	Others (Ha)
		Immature Area (Ha) <3 years	Mature Area (Ha) >3 years			
LadangM engkeban g	957.42	20.03	936.68	0	0	0.71
Total	957.42	20.03	936.68	0	0	0.71

6. Current Certification

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 checked="" type="checkbox"/>	None / Others:

Stakeholder Consultation

Stakeholder Details	Stakeholder's Input/ Comment	Client's Feedback/ Response
Azmi Sufian (Kg Dusun Nyior)	<ul style="list-style-type: none"> - He has been living in the village for more than 40 years - His parents used to work in the estate - MRCSB allows the villagers to use estate's road - Usually MRCSB will donate cattles for Eid Adha celebration - The estate management had never given any problem to the villagers - Representative from his village (Penghulu) was invited to stakeholder meeting - Happy with the overall relationship between them 	Noted by the management

Nonconformity & Observation

1. Nonconformity

During the assessment 7 nonconformities were identified.

NCR No.: MRCSB-2020-NCR-1	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.2.3.2	Status & Due Date: Open (2 nd Mar 2021)

Section 1 - Details of nonconformity

MRCBSB had their own way to trace the FFB as per procedure stated in Traceability file no.8. Such as:

- 1) Peta Ladang
- 2) Peta Task
- 3) BukuRekodTandan
- 4) Delivery Order - PemanduJenteraangkut BTS
- 5) Mill Weighbridge Note

However, despite MRCBSB have developed a form of schedule weekly inspection for traceability. The inspection form has yet to be utilised and there is no record that regular inspection was conducted as stated in SOP 3.0 "Pegawaitersebut juga perlumembuatpemeriksaanberkalaseminggusekalikebolehhkesanantersebut dan didokumenkan."

Section 2 - Result of investigation and determination of root cause

Root Cause:

The form was not filled up to show that the regular inspection been conducted by the person in charge weekly as directed in SOP 3.0 as this form is new to the estate and all staff.

Section 3 - Correction (if applicable) and corrective action plan including completion date:

Correction:

Corrective Action:

As this form is new to the estate and field staffs, the estate management has instructed them to records and checked the documents weekly. The form has been printed out in March 2020 and given to the person in charge to conduct weekly inspection and record it accordingly.

NCR No.: MRCSB-2020-NCR-2	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.4.4.2 (b), (i) and (j)	Status & Due Date: Closed (2 nd June 2020)
<p>Section 1 - Details of nonconformity</p> <p>1. HIRARC was not made available during the audit despite having a procedure for HIRARC established.</p> <p>2. The estate provides 2 first aid boxes located estate office and store. However, upon visiting harvesting activity at Field OP98, first aid box was not made available at the site.</p> <p>3.</p> <p>a. Records from 2019, 3 JKPP 6 cases were reported. However, no evidence that JKPP 8 for 2019 has been submitted.</p> <p>b. A worker named Muhamad JohandiAbidin (B5758327) was interviewed and he confirmed he recently got back from a month medical leave due to occupational accident occurred in 11/1/20. However, there was no evidence that JKPP 6 has been reported accordingly.</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>1. The HIRARC was not presented during the audit due to it was misplaced and not properly filed.</p> <p>2. The first aid boxes were kept at the office for safekeeping.</p> <p>3.</p> <p>a. JKPP 8 was not submitted due to incomplete data in the MYKPP.</p> <p>b. JKPP 6 for Muhamad JohandiAbidin was not submitted due to delay of reporting by the staff in charge.</p>		
<p>Section 3 - Correction (if applicable) and corrective action plan including completion date:</p> <p>Correction:</p> <p>Corrective Action:</p> <p>1. HIRARC has been stored in a specific file named “HIRARC” to avoid misplace in the future.</p> <p>2. First aid boxes have been given to all mandoresright after the audit to be carried along during working hours.</p> <p>3. The estate management has met DOSH Officer on 5/3/2020 and a formal letter informing JKPP on the late submission of JKPP 8 has been has been issued on 9/3/2020 to rectify the issue. JKPP has responded on 3/6/2020 and advised the estate management. The management has followed the advised actions and submit the JKPP 8 for 2019 accordingly. JKPP 6 for Muhamad</p>		

JohandiAbidin has been submitted on 4/3/2020.

4. The existing appointed Safety Officer will take charge of the safety auditing including ensuring no reporting to JKKP is missed.

NCR No.: MRCSB-2020-NCR-3	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.4.5.6	Status & Due Date: Open (2 nd Mar 2021)

Section 1 - Details of nonconformity

Sampled employment contract for these workers:

1. Kazal, Bangladesh, BQ 0802293, Driver date joined 24/2/18
2. Muhamad JohandiAbidin, Indonesian, B 5758327, Harvester date joined 24/2/18
3. Nik Muhamad Ikram Bin Nik Muhamad Shariff, Workshop attendant, 980203035331 date joined 7/3/19

The contract specifies on:

1. Kadar Upah
 2. Waktu bekerja
 3. Lokasi Kerja
 4. Elaun
 5. OT
 6. PH, CutiTahunan, CutiSakit
 7. Facility
- Etc

Observed all sampled employment contract were signed by the estate manager and the employees. However, upon checking Kazal's employment contract, it was found that, the format used was meant for Indonesian worker. Addition to that, noted in the contract that worker will be paid RM50.00/day salary when in actual RM 42.31

Section 2 - Result of investigation and determination of root cause

Root Cause:

1. The management has overlooked on the contract version issued to the Bangladeshi workers and the salary quoted in it.

Section 3 - Correction (if applicable) and corrective action plan including completion date:

Correction:

Corrective Action:

1. The estate management has redo the employment contract with the right salary and nationality specified for the affected worker and re-issued it on 5/3/2020.

NCR No.: MRCSB-2020-NCR-4	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.4.6.2	Status & Due Date: Open (2 nd Mar 2021)

Section 1 - Details of nonconformity

No evidence that training need analysis has been carried out accordingly before establishing training programme.

Section 2 - Result of investigation and determination of root cause

Root Cause:

The training need analysis was supposed to be conducted by estate staff however it was overlooked

Section 3 - Correction (if applicable) and corrective action plan including completion date:

Correction:

Since the it was already middle of year 2020, the estate will continue conducting training for workers as per Training Plan developed. Training need analysis will be conducted early next year in order to determine the required trainings in 2021.

Corrective Action:

The staff in charge has been briefed and reminded on the requirement. The staff will conduct the analysis starting next year and review it annually.

NCR No.: MRCSB-2020-NCR-5	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.5.3.5	Status & Due Date: Open (2 nd Mar 2021)

Section 1 - Details of nonconformity

A designated landfill has been established in Block 06 (500m away from housing area). Rubbish collection is being done twice a week and collected rubbish will be sent to the aforementioned landfill. However, there is another domestic landfill located behind the workshop. Upon visiting the landfill, it was found that the landfill was established near to workshop building. Inside the landfill lot of waste such as canned drinks, chemical drum, plastics, metal scrap, fertilizer bags and rubbish were floating in the landfill due to underground water. Waste were not segregated between recyclable waste and non-recyclable waste to minimise the contamination. Addition to that, observed several of oil spillage traces on the ground in large quantities.

Also in Recycle Bin the waste were not segregated between glass and plastics.

Section 2 - Result of investigation and determination of root cause

Root Cause:

1. Initially landfill established behind workshop and waste segregation was not being practiced prior to MSPO Implementation.

Section 3 - Correction (if applicable) and corrective action plan including completion date:

Correction:

1. The old landfill has been closed up immediately after the Stage 2 Audit in March 2020

Corrective Action:

1. The estate will maintain using the landfill established in Block 06 and workers have been briefed to practice waste segregation to minimise waste in the landfill on 4/3/2020.

NCR No.: MRCSB-2020-NCR-6	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.5.5.1	Status & Due Date: Open (2 nd Mar 2021)

Section 1 - Details of nonconformity

Water usage in MRCSB sourced from SAK was not assessed.

Section 2 - Result of investigation and determination of root cause

Root Cause:

The management did not aware of the requirement. It was misunderstood for requirement to conduct water sampling.

Section 3 - Correction (if applicable) and corrective action plan including completion date:

Correction:

The estate has started monitoring the water usage starting March 2020 using excel spreadsheet.

Corrective Action:

The estate manager will review and approve the excel spreadsheet on monthly basis to ensure continuous monitoring is being done.

NCR No.: MRCSB-2020-NCR-7	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.5.7.1	Status & Due Date: Open (2 nd Mar 2021)

Section 1 - Details of nonconformity

During site visit to the estate fields noted no usage of fire for land preparation. However, upon visiting worker quarters located in field 09, sighted several traces of open burning at the site.

Section 2 - Result of investigation and determination of root cause

Root Cause:

1. Despite workers has been informed on the prohibition of open burning, workers were still stubborn and did not follow the order.

Section 3 - Correction (if applicable) and corrective action plan including completion date:

Correction:

Corrective Action:

1. A firmer reminder has been given to the workers. A briefing has been done during muster call on 4/3/2020.

2. SOP has been displayed on notice board to be a constant reminder to the workers.

2. Observations

No.	Observation Details
1.	<p>4.3.2.1</p> <p>Sighted. MRCSB had submitted those land title that need to be changed from “Dusun” and “TiadaSekatan” to “KelapaSawit”. MRCSB has applied for the exchange of real terms on the 11 Dec 2019 as per stamp received chop by the Pejabat Tanah Kuala Krai. Ref. No: PJKK 191/11 Jil 6 (30). Land title lot no that request for exchange as per list below:</p> <ul style="list-style-type: none"> 1) 700 2) 620 3) 34 4) 12 5) 26 6) 634 7) 1570
2.	<p>4.4.4.2 (e), (h)</p> <p>1. CHRA has been conducted on 9/2/2020 by ACH Consultancy Sdn Bhd. However, the report has yet to be reverted by the assessor. The completion of the report will be followed up in the next audit.</p> <p>2. The management may want to consider to established emergency procedure for Flood considering Kuala Krai suffered major flood in 2014.</p>
3.	<p>4.4.5.11</p> <p>Noted there was lack of fire extinguishers at local and foreign worker quarters. The management may want to consider adding more fire extinguishers to enhance better fire combatting ability in the area.</p>
4.	<p>4.5.3.5</p> <p>1. The management may consider to erect a simple signage to indicate date of opening and closing for its landfill.</p> <p>2. Also sighted several rubbishes scattered in field 90B. It was due to irresponsible citizens that frequently use a boat point to cross Sg Kelantan. The estate management may want to consider putting up a warning signage and rubbish bin at the area to ensure the public will</p>

	not freely throw rubbish in the area.
5.	4.6.2.2 Sighted. There is no implementation of replanting for this year's budget. Even though the basic age has reached the age of 30. The manager has brought the replanting proposal to the HQ and has also presented a paper on FFB performance in the future if not doing the replanting in the future. Still pending for approval. This was due to the management still contemplating on converting to other crop. The management decision will be followed up in the next audit.

Section H Audit Findings

P1: Management Commitment & Responsibility

P1C1 Malaysian Sustainable Palm Oil (MSPO) Policy			
Indicator	Requirement	Compliance	Findings
I1	A policy for the implementation of MSPO shall be established.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The policy of MSPO was established and documented date 01 Mac 2019. Policy was signed by the Chairman of Company YM TENGKU DATUK DR MOHD AZZMAN SHARIFF ADEEN BIN TENGKU IBRAHIM.
I2	The policy shall also emphasize commitment to continual improvement.	<input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The continual improvement commitment is documented in the following MSPO Policy Sustainability dated 01 Mac 2019.</p> <p>The commitments are made by Chairman of Company YM TENGKU DATUK DR MOHD AZZMAN SHARIFF ADEEN BIN TENGKU IBRAHIM Mengkebang Rubber Company Sdn Bhd.</p>

P1C2 Internal Audit			
Indicator	Requirement	Compliance	Findings
I1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Internal Audit for MRCSB was on month of Jan 2020 as per planned and documented in "Audit Dalaman". MSPO Internal audit was carried out by Mr. Mohd. Sabre Salim and Auditor's by Mr. Zukimans Zulkiffi, Kalsom, and Muhammad Haziq as per planned on 27 Jan 2020. The Internal Consultative Assessment Report dated 04 Feb 2020 was verified by the Manager Mr. Kapt. (B) Noorshah Bin Abdol Aziz.
I2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. An internal audit procedure (File No. 2 Audit Dalaman) had been established and documented. The results of the audit conducted on 27 Jan 2020. The identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action had been taken to solve the Non-Conformity. There is 21 NC and 7 OFI. All the form was fill in and updated.
I3	Report shall be made available to the management for their review.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There is documented audit report sign by Estate Manager Mr. Kapt (B) Noorshah B. Abdol Aziz on 04 Feb 2020.

P1C3 Management Review			
Indicator	Requirement	Compliance	Findings
I1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. On annual basis management review is conducted by YM TENGKU DATUK DR MOHD AZZMAN SHARIFF ADEEN BIN TENGKU IBRAHIM as a Chairman of MRCSB. The last management review was conducted on 23 Jan 2020. All pertinent agenda has been discussed for the effective implementation of MSPO such as: Audit Dalaman, Impak Sosial, Biodiversity, JKPP, Alam Sekitar, Aduan dan Rungutan and the related to estate works.

P1C4 Continual Improvement			
Indicator	Requirement	Compliance	Findings
I1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. Estate had established the method for continual improvement, e.g.: Improvement of Labour Quarters, Alam Sekitar, Keselamatan & Kesihatan Pekerja, Pengurusan Sosial, Pengurusan Sisa Buangan. As plan in Continual Improvement Acitiviteis.
I2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. Company MRCSB had improved work attendance system from manual book record to electronics time recording (Thumb print). Also company had fixxed CCTV at office area for safety purpose.

I3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted. Estate had established the method for continual improvement, e.g.: Improvement of Labour Quarters, Alam Sekitar, Keselamatan & Kesihatan Pekerja, Pengurusan Sosial, Pengurusan Sisa Buangan. As plan in Continual Improvement Activities and Training Plan. All the document was documented in File "Latihan Pekerja File No. 13".</p> <p>Latest training was conducted on 22 Jan 2020 by G-Planter Mr. Alfi Yusra Amzar Attendance list: 1) Wan Salmun 2) Mohd Yusiazri 3) Zakaria 4) Rohani 5) Roslina 6) Azhar Yusof 7) Mohd Yusniza 8) Marzuki 9) M. Haziq 10) And all the workers as per stated in attendance</p>
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P2: Transparency

Indicator	Requirement	Compliance	Findings
P2C1	Transparency of information and documents relevant to MSPO requirements		
I1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Refer to Procedure File No. 24 Stakeholder Consultation and Communication.</p> <p>Estate using verbal communication during stakeholder meeting on 12 Dec 2019.</p>
I2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Management Plans & Continuous Improvement Plans and company policies were publicly available at main office and security post.</p>

P2C2		Transparent method of communication and consultation	
Indicator	Requirement	Compliance	Findings
I1	Procedures shall be established for consultation and communication with the relevant stakeholders.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Refer to Procedure File No.4 Stakeholder Consultation and Communication. The procedure were established and documented.
I2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Mr. Marzuki B. Awang has been appointed as person responsible for handling social issue. Appointment letters for the officer in-charge for social issues from Estate Manager Mr. Kapt. (B) Noorshah B. Abdol Aziz dated 01/Dec/2019 were sighted.
I3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Stakeholder list was developed where stakeholders such as contractors, suppliers, local communities, government authorities and NGO in the list.</p> <p>Stakeholder meeting was organized once a year and the last meeting was conducted on 12/Dec/19 for MRCSB with the participation of stakeholders such as government authorities, suppliers and contractors.</p> <p>Attendance List: 12 Dec 2019 Rumah Pengurus Ladang Mengkebang</p> <ol style="list-style-type: none"> 1) Koh Teong Hock - Kontraktor 2) Ahmad Junaidi B. Ismail - Veterinar K. Krai 3) Mohd. Nazrie - Jab. Pertanian K.Krai 4) Mohd. Nasmanizam - MPOB Machang 5) Dr. Mohd Hafiz - Pej. Kesihatan Daerah KK 6) Roziman - Kesedar 7) Nurul Farhana _ Perkeso 8) Hasbullah Che Omar - NUPW 9) Wan Hafizi Wan Hasan - Penghulu/Adun 10) Che Razak B. Harun - Bomba K.krai 11) ASP. Wan Azizi Wan Ahmad - KP Balai K.Krai 12) Rita Husni - Pen. Pengarah Tenaga Kerja K.Krai 13) Nadhirah Azhar - Kuang War Tyre 14) Nik Khairuzaman Nik Hussien - Eksekutif Kanan KTMB

P2C3		Traceability	
Indicator	Requirement	Compliance	Findings
I1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	MRCSB has established SOP for traceability and documented in Traceability.
I2	The management shall conduct regular inspections on compliance with the established traceability system.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>MRCSB had their own way to trace the FFB as per procedure stated in Traceability file no.8. Such as:</p> <ol style="list-style-type: none"> 1) Peta Ladang 2) Peta Task 3) Buku Rekod Tandan 4) Delivery Order - Pemandu Jentera angkut BTS 5) Mill Weightbridge Note <p>NC #1 (MN) However, the MRCSB have developed a form of schedule weekly inspection for traceability. The inspection form has not been used and there is no record that regular inspection are conducted as stated in SOP 3.0 "Pegawai tersebut juga perlu membuat pemeriksaan berkala seminggu sekali kebolehesanan tersebut dan didokumenkan.</p>
I3	The management should identify and assign suitable employees to implement and maintain the traceability system.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	MRCSB has appointed Mr. Muhammad Haziq B. Mohd as person responsible for traceability as per letter signed by the respective Estate Manager Mr. Kapt. (B) Noorshah B. Abdol Aziz dated 01/Dec/2019 were sighted.
I4	Records of sales, delivery or transportation of FFB shall be maintained.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted. Record from Field to Mill was well maintained and documented.</p> <p>As per sample: No Tiket Timbangan: A177653 Tarikh: 29/02/2020 Berat Kasar: 10580 Berat Bersih: 5760 No Kenderaan: DDP 1243 Material: FFB</p> <p>As Per Mandore Record: Daily Infield FFB Gradding Name of Harvester: Jalal 70 Tandan</p>

P3: Compliance to legal requirements

Indicator	Requirement	Compliance	Findings
P3C1	Regulatory requirements		
I1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>1) MPOB License No: 501471102000 Mengekembang Rubber Co. Sdn Bhd No Pendaftaran: 332278-T Ladang Mengekembang Lot 634, 700, 26, 34,12 & 1570, Mukim Batu Mengekembang, Telekong Kuala Krai Kelantan Keluasan: 963.45 Hektar Tempoh: 1 Tahun Tarikh Tamat: 31/03/2020</p> <p>2) Pej. Tenaga Kerja Kuala Krai Permohonan: Borang C Pemotongan Gaji Pekerja.</p> <p>3) Permit Barangan Kawalan Berjadual (Diesel) Ruj. Fail: KPDNKK.KKR/600/1/2/32 Permit No: D 004014</p> <p>4) Timbang/Sukat Ruj. MCM/DKK/LA/272/19 Tarikh: 01 Jul 2019 Tarikh ujian ulangan: 1 tahun dari tarikh ujian terakhir.</p>
I2	The management shall list all laws applicable to their operations in a legal requirements register.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>All legal requirement was documented in Legal and Requirement Register.</p> <p>All the legal and other requirements were register accordingly and documented in the legal requirement such as:</p> <ol style="list-style-type: none"> 1) Occupational Safety & Health Act 1994 2) Factory and Machinery Act 1967 3) Uniform Building 4) Minimum Wages 2018 5) Pesticide Act 1974 6) Electrical Supply Act 1990 7) Fire Safety Act 1984 8) Environmental Quality Act 1974 9) Workers Minimum Standards of Housing and Aminities Act 1990 10) Workers Act 1955 11) Employee Provident Fund act 1991 12) Employess Social Security act 1969 13) Akta Kesatuan Sekerja 1959 <p>and the rest of rules as per stated in "Senarai Undang- Undang".</p>
I3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Document has been establishing and implemented. All legal requirement was documented in Legal and Requirement Register. Compliance to each applicable law and regulation is monitored by the operating units. Last update was 01 Jan 2020.</p>
I4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>MRCSB has appointed Puan Lina Bt. Ab Aziz as a Legal Officer. To ensure the mechanism compliance to legal and other requirement has been documented. The respective operating in charge will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance.</p>

P3C2 Land used right			
Indicator	Requirement	Compliance	Findings
I1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Sighted. MRCSB had 8 land title. Some of the land title conditions still under Dusun. As per list: No Hakmilik</p> <ol style="list-style-type: none"> 1) GM 2258 - Kelapa Sawit Sahaja 2) GRN 23013 - Bangunan (Tiada Sebarang Kegunaan, Lot tersebut terletak di tengah bandar Kuala Krai.) 3) GRN 17564 - Tiada Sekatan 4) PN 1515 - Getah & Kelapa Sawit 5) GRN 17563 - Pertanian Sahaja 6) GM 910 - Dusun Sahaja 7) GM 911 - Dusun Sahaja 8) GRN 40972 - Tiada Sekatan <p>OBS Sighted. MRCSB had submitted those land title that need to be change from 'Dusun and Tiada Sekatan to Kelapa Sawit. MRCSB has applied for the exchange of real terms on the dated 11 Dec 2019 as per stamp received chop by the Pejabat Tanah Kuala Krai. Ref. No: PJKK 191/11 Jil 6 (30). Land title lot no that request for exchange as per list below:</p> <ol style="list-style-type: none"> 1) 700 2) 620 3) 34 4) 12 5) 26 6) 634 7) 1570 <p>This all hakmilik is prepared for submission to change the title of cultivation from rubber to oil palm. Documented has been submitted to Land Office Jerantut District. Receipt No: 10015</p>
I2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted. MRCSB had paid Quit Rent for all the Land Title belong to MRCSB. As per sample: Lot No: 634 No Hak Milik: 5374 Keluasan: 568.6035 Ha Tarikh Bayaran: 25/06/2019 Jumlah Bayaran: Rm 22,748.00 Resit No: 03043100101000017564.</p> <p>Next payment to Pej. Tanah K.Krai are ready to paid by MRCSB as per cheque no. 001076 RM 25,639.50 and RM 44,625.00 cheque no 001075.</p>
I3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted. MRCSB had 2 division and had establish map for every single lot and stated in summary of land title. There is boundary stone. MRCSB had surrounded with small holders and village (Dusun Nyior and Aur Duri). All area was separated by road and trenches.</p>
I4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>There were no issues of land disputes.</p>

P3C3 Customary rights			
Indicator	Requirement	Compliance	Findings
I1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No customary right land within the area
I2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

P4: Social responsibility, health, safety and employment condition

P4C1 Social impact assessment (SIA)			
Indicator	Requirement	Compliance	Findings
I1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>SIA has been carried out by the estate. This was evident from SIA Report dated Dec 2019.</p> <p>Positive and negative impacts have been identified during the assessment and tabulated into Pelan Penambahbaikan Berterusan Tanggjawab Sosial, Kesihatan & Keselamatan Pekerja 2019/2020. Sampled plans as below:</p> <ol style="list-style-type: none"> 1. To control intruders from entering the estate by ensuring the parameter fencing is still study and building new security post - The management had completed building the new guard post. The post is expected to be occupied Mar 2020. 2. To ensure proper recording system for attendance - Electronic attendance recorder (thumbprint scanner) had been installed located at the estate office. 3. New workers quarters - A site has been allocated for the new quarters. 4 houses expected to build starting Mar 2020.

P4C2 Complaints and grievances			
Indicator	Requirement	Compliance	Findings
I1	A system for dealing with complaints and grievances shall be established and documented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A manual has been developed, Manual MSPO "Aduan, Rundingan dan Komunikasi Pihak Berkepentingan" MRCSB/M02 dated 1/11/19. The manual was developed to cater internal and external stakeholders complaint, consultation and communication. The manual was kept in "Aduan dan Salahlaku" File.
I2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	From the Complaint and Grievance Manual established, proposed timeline to resolve and issue was included in 5.0 (iv). Proposed timeline as below: 1. Memeriksa Peti Aduan - Setiap hari 2. Tindakan - 1 minggu dari tarikh diterima 3. Penyelesaian - mengikut persetujuan 4. Simpan Rekod - 24 bulan
I3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The complaint forms and a suggestion box were made available at the estate workshop. The establishment of the manual has been communicated to the stakeholders on 21/11/19. This was evident from a list of invited stakeholders for stakeholder meeting. Each invited stakeholder stamped on the list. The stakeholder meeting was conducted on 12/12/19. Attended by various stakeholders including contractor, gov agencies, suppliers and local communities.
I4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The complaint forms and a suggestion box were made available at the estate workshop. The establishment of the manual has been communicated to the stakeholders on 21/11/19. This was evident from a list of invited stakeholders for stakeholder meeting. Each invited stakeholder stamped on the list. The stakeholder meeting was conducted on 12/12/19. Attended by various stakeholders including contractor, gov agencies, suppliers and local communities. It was also communicated to the staff and workers during MSPO Awareness Training conducted by appointed consultant, MDV Management Sdn Bhd on 12-14/11/19
I5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	At the point of audit, no complaint received by MRCSB.

P4C3 Commitment to contribute to local sustainable development			
Indicator	Requirement	Compliance	Findings
I1	Growers should contribute to local development in consultation with the local communities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Contribution made by the MRCSB 1. Grass cutting for Sekolah Menengah Kebangsaan Kuala Krai 2. Sumbangan untuk Program Qaryah Ramadhan dated 20/5/19, PV No. 190518 3. Sumbangan Kecemerlangan Kemasukan Ke IPTA dated 5/9/2019, PV No. 190901

P4C4 Employees safety and health			
Indicator	Requirement	Compliance	Findings
I1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Safety Policy has been established namely Polisi Keselamatan dan Kesihatan Pekerjaan signed by Director, YM Tengku Datuk Dr, Mohd Azzman Shariffadeen Bin Tengku Ibrahim dated 1/3/19.</p> <p>Communication evident: The establishment has been communicated to the stakeholders on 21/11/19. This was evident from a list of invited stakeholders for stakeholder meeting. Each invited stakeholder stamped on the list.</p> <p>The stakeholder meeting was conducted on 12/12/19. Attended by various stakeholders including contractor, gov agencies, suppliers and local communities.</p> <p>It was also communicated to the staff and workers during MSPO Awareness Training conducted by appointed consultant, MDV Management Sdn Bhd on 12-14/11/19</p> <p>OSH Plan available</p>
I2	The occupational safety and health plan shall cover the following:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Policy and communication as above
	a) A safety and health policy, which is communicated and implemented.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	NC #2 (MJ) HIRARC was not made available during the audit despite having a procedure for HIRARC established.
	b) The risks of all operations shall be assessed and documented.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	
	c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Training programme has been established for the year of 2020. Planned training as below:</p> <ol style="list-style-type: none"> 1. Latihan Undang Undang - Jan 2020 2. Penegenalan Polisi Syarikat - Jan 2020 3. Penegenalan HIRARC - May 2020 4. Latihan Prosedur Meracun - Feb 2020 5. Latihan Prosedur Menuai - Jul 2020 6. Demonstrasi Bancuhan Racun - Feb 2020 7. Pembakaran Sifar - Sep 2020 8. Pengenalan 3R - Jul 2020 9. Pengurusan Bahan Buangan Domestik - Feb 2020 <p>Conducted training in 2020:</p> <ol style="list-style-type: none"> 1. Briefing from G-Planter - 22/1/20 2. MSPO Awareness Training - 13-14/11/19 3. Taklimat Polisi Polisi MSPO - 2/12/19 4. Pengurusan Kesihatan dan Keselamatan Pekerja Ldg - 3/12/19
	i) all employees involved shall be adequately trained on safe working practices		
	ii) all precautions attached to products shall be properly observed and applied		

<p>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).</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>PPE issuance record (Pengambilan/Penghantaran PPE Ldg Mengkebang" was made available during the audit. PPE such as safety helmet, rubber boots, mask, apron, hadn glove. Upon visiting harvesting activity at OP98 observed the workers were wearing adequate PPE.</p>
<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Such procedure has been established namely Manual MSPO "Pengurusan Bahan Kimia" MRCSB/M16 dated 1/11/19. The procedure covers responsibilities, chemical identification, purchasing, loading unloading, storing, chemical usage, store criteria, signage, CHRA and Training.</p> <p>OBS CHRA has been conducted on 9/2/2020 by ACH Consultancy Sdn Bhd. However, the report has yet to be reverted by the assessor. The completion of the report will be followed up in the next audit.</p>
<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>A safety committee has been established consists of 3 management reps and 3 worker reps.</p> <p>The management has appointed Muhamad Haziq Hatta as "Pegawai Keselamatan dan Kesihatan Pekerjaan" date 1/12/19. The appointment letter was evident during the audit.</p> <p>Also sampled for other appointed personnel as below: 1. Mohd Rafi Bin Marzuki (worker) 2. Norsyazana Binti Ahmad (management)</p>
<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Since the safety committee is relatively new, the management had only conducted safety meeting once on 29/1/20. Matters discussed during the meeting as below:</p> <ol style="list-style-type: none"> 1. PPE usage 2. First aid 3. Suggestion to have HA visit 4. Accident report 5. Near miss accident 6. Workplace inspection 7. OSH Training
<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Accident and emergency procedures established as below: 1. Tumpahan bahan kimia 2. Accident 3. Fire outbreak</p> <p>OBS The management may want to consider to established emergency procedure for Flood considering Kuala Krai suffered major flood in 2014. The estate provides 2 first aid boxes located estate office and store.</p>
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>First aid training has yet to be conducted, however the management had sent a request letter to Pejabat Kesihatan Daerah Kuala Krai dated 19/2/20. The office has yet to respond to their request.</p> <p>NC #2 (MJ) Upon visiting harvesting activity at Field OP98, first aid box was not made available at the site.</p>
<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>NC #2 (MJ) 1. Records from 2019. 3 JKPP 6 cases were reported. However, not evidence that JKPP 8 for 2019 has been submitted. 2. A worker named Muhamad Johandi Abidin (B5758327) was interviewed and he confirmed he recently got back from a month medical leave due to occupational accident occurred in 11/1/20. However, there was no evidence that JKPP 6 has been reported accordingly.</p>

P4C5 Employment Conditions			
Indicator	Requirement	Compliance	Findings
I1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Policies related to social available in the estate:</p> <p>1. Polisi Kemampanan (Sustainability) - the policy is an integration of sustainability and social aspects. The policy emphasises on FOA, human rights, equality of opportunities, sexual harassment and violence. The policy signed by the Director of the company.</p> <p>The establishment has been communicated to the stakeholders on 21/11/19. This was evident from a list of invited stakeholders for stakeholder meeting. Each invited stakeholder stamped on the list.</p> <p>The stakeholder meeting was conducted on 12/12/19. Attended by various stakeholders including contractor, gov agencies, suppliers and local communities.</p> <p>It was also communicated to the staff and workers during MSPO Awareness Training conducted by appointed consultant, MDV Management Sdn Bhd on 12-14/11/19</p>
I2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The management does not engage in discriminatory practice as stressed out in its Polisi Kemampanan. The management committed in ensuring equality in the estate.</p> <p>Upon visiting workers at site, they confirmed that no discrimination treatment against them.</p>
I3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sampled pay slips fro Jan 2020 as below:</p> <p>1. Nik Muhamad Ikram Bin Nik Muhamad Shariff, Workshop attendant, 980203035331, Basic earned - RM 592.34 for 14 days working. Statutory deduction such as EPF, SOCSO and EIS were available.</p> <p>2. Kazal, Driver, BQ0802293, Basic earned - RM 1139.00 for 26 working days</p> <p>3. Muhamad Johandi, Harvester, B5758327, RM 952.38 (paid based on productivity)</p>
I4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>No contractor engaged</p>
I5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Such record has been established for both local and foreign workers.</p>
I6	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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sampled employment contract for these workers:</p> <p>1. Kazal, Bangladesh, BQ 0802293, Driver date joined 24/2/18</p> <p>2. Muhamad Johandi Abidin, Indonesian, B 5758327, Harvester date joined 24/2/18</p> <p>3. Nik Muhamad Ikram Bin Nik Muhamad Shariff, Workshop attendant, 980203035331 date joined 7/3/19</p> <p>The contract specifies on:</p> <ol style="list-style-type: none"> 1. Kadar Upah 2. Waktu bekerja 3. Lokasi Kerja 4. Elaun 5. OT 6. PH, Cuti Tahunan, Cuti Sakit 7. Facility <p>etc</p> <p>NC #3 (MN)</p> <p>Observed all sampled employment contract were signed by the estate manager and the employees. However, upon checking Kazal's employment contract, it was found that, the format used was meant for Indonesian worker. Addition to that, noted in the contract that worker will be paid RM50.00/day salary when in actual RM 42.31</p>

I7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The management recently installed digitised attendance recording system through thumbprint scanner. It started operating on 2/3/2020.</p> <p>Previously it was recorded through checkroll book.</p>
I8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Working hours as indicated in sampled employment contracts. It was found to be conformed to the national regulations.
I9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sampled pay slip fro Jan 2020:</p> <p>Kazal, Driver, BQ0802293, Basic earned - RM 1139.00 for 26 working days, OT 75 hrs - RM 616.08</p>
I10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<ol style="list-style-type: none"> 1. Worker Quarters 2. Subsidised water supply 3. Medical coverage 4. Allowance 5. Bonus 6. Rice, Cooking Oil, Prepaid Top Up every 2 months.
I11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Visit quarters at main division, observed the quarters were habitable and equipped with basic necessities such as electricity and water supply.</p> <p>The management has even allocated a location at the main division for new quarters. The development is expected to be completed in 5 months time.</p> <p>OBS Noted there was lack of fire extinguishers at local and foreign worker quarters. The management may want to consider adding more fire extinguishers to enhance better fire combatting ability in the area.</p>
I12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Such guideline has been established namely Manual MSPO "Gangguan Seksual" MRCSB /M08 dated 1/11/19. The manual includes:</p> <ol style="list-style-type: none"> 1. Definitions 2. Management Responsibilities 3. Guideline and Handling 4. Continual Improvement and Prevention
I13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>There is no restriction for the workers to join union. All workers are union members under NUPW.</p> <p>Addition to that, the company stressed out its commitment in respecting freedom of association in it Polisi Kemampanan.</p>
I14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.	<input type="checkbox"/> No <input type="checkbox"/> OFI	No underage workers working in the estate. The youngest available is Nik Muhamad Ikram Bin Nik Muhamad Sharif (980203035331). He joined the company on 7/3/19.

P4C6 Training and competency			
Indicator	Requirement	Compliance	Findings
I1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Training programme has been established for the year of 2020. Planned training as below:</p> <ol style="list-style-type: none"> 1. Latihan Undang Undang - Jan 2020 2. Penegenalan Polisi Syarikat - Jan 2020 3. Penegenalan HIRARC - May 2020 4. Latihan Prosedur Meracun - Feb 2020 5. Latihan Prosedur Menuai - Jul 2020 6. Demonstrasi Bancuhan Racun - Feb 2020 7. Pembakaran Sifar - Sep 2020 8. Pengenalan 3R - Jul 2020 9. Pengurusan Bahan Buangan Domestik - Feb 2020 <p>Conducted training in 2020:</p> <ol style="list-style-type: none"> 1. Chemical Handling Training from G-Planter - 22/1/20 2. MSPO Awareness Training - 13-14/11/19 3. Taklimat Polisi MSPO - 2/12/19 4. Pengurusan Kesihatan dan Keselamatan Pekerja Ldg - 3/12/19 <p>All training records were kept and retained appropriately.</p> <p>No evidence that training need analysis has been carried out accordingly before establishing training programme.</p>
I2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>NC #4 (MN)</p> <p>No evidence that training need analysis has been carried out accordingly before establishing training programme.</p>
I3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Refer 4.4.6.1

P5: Environment, natural resources, biodiversity and ecosystem services

P5C1 Environmental management plan			
Indicator	Requirement	Compliance	Findings
I1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted Environmental Policy namely "Polisi Alam Sekitar" dated 01/Mac/19 signed by the Chairman YM TENGKU DATUK DR MOHD AZZMAN SHARIFFADEEN BIN TENGKU IBRAHIM.</p> <p>EMP Policy has been brief to the stakeholders on the date 12/12/2019. Attend by External stakeholders and workers.</p>
I2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>a) EMP established was found to be adequate to support the policy and its objectives.</p> <p>b) Sighted "Penilaian Impak Aspek Alam Sekitar" for 2019. The assessment done for all operations relevant to the estate such as Spraying, Harvesting and Slashing, Manuring, Replanting, Transportation etc.</p>
I3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted "Perancangan Program Penambahbaikan (Pelan Pengurusan)" for environmental. Listed in the plan as below:</p> <ol style="list-style-type: none"> 1. Penstoran Kimia 2. Bancuhan Racun 3. Tanaman di kawasan berbukit 4. Parkir kenderaan ladang 5. Perumahan 6. Timbang 7. Electricity

I4	A programme to promote the positive impacts should be included in the continual improvement plan.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Same as 4.5.1.3
I5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Refer 4.4.6.1
I6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. Management had organize meeting with all the employees to brief about Environmental and Biodiversity on the date 02/12/2019. In minutes meeting, paragraph (3) stated about environmental and biodiversity.

P5C2 Efficiency of energy use and use of renewable energy

Indicator	Requirement	Compliance	Findings
I1	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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Diesel usage is being recorded for every machinery on monthly basis. Whereas the electricity usage is being recorded based on electricity supply by the TNB.</p> <p>Trend of usage and baseline value were established through graph plotting. Baseline value (estimation) were identified based on historical data.</p>
I2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Estimation of diesel and electricity usage have been forecasted by the management. Baseline value (estimation) were identified based on historical data.
I3	The use of renewable energy should be applied where possible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. MRCSB has improved the company's communication system by using walkie talkie to all staff.

P5C3 Waste management and disposal

Indicator	Requirement	Compliance	Findings
I1	All waste products and sources of pollution shall be identified and documented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Waste products and sources have been identified in the "Pelan Pengurusan Sisa Buangan". Identified waste products and sources as follow:</p> <ol style="list-style-type: none"> 1. SW from Spraying activity 2. SW from Manuring activity 3. Domestic Waste from labour quarters 4. SW from SW store 5. Waste from chemical store 6. Waste from fertiliser store
I2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Same as 4.5.3.1

I3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Such plan has been established namely "Standard Operating Procedure (SOP) Penyelenggaraan dan Pelupusan Buangan Terjadual"</p> <p>The estate produce insignificant amount of SW.</p> <p>Currently no SW being generated. Used oil is being kept for lubrication. Used pesticide container is being reused for chemical mixing activity.</p>
I4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Used pesticide container is being reused for chemical mixing activity. Currently no excess pesticide was stored at the point of audit.</p>
I5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>At the moment, the estate practices collecting domestic waste from quarters and send to landfill located in Field 06. Auditor visited the designated field and observed all domestic wastes were dumped responsibly into the landfill.</p> <p>OBS The management may consider to erect a simple signage to indicate date of opening and closing for its landfill.</p> <p>Also sighted several rubbish scattered in field 90B. It was due to irresponsible citizens that frequently use a boat point to cross Sg Kelantan. The estate management may want to consider putting up a warning signage and rubbish bin at the area to ensure the public will not freely throw rubbish in the area.</p> <p>NC #5 (MN) A designated landfill has been establish in Block 06 (500m away from housing area). Rubbish collection is being done twice a week and collected rubbish will be sent to the aforementioned landfill. However, there is another domestic landfill located behind the workshop. Upon visiting the landfill, it was found that the landfill was established near to workshop building. Inside the landfill lot of waste such as canned drinks, chemical drum, plastics, metal scrap, fertilizer bags and rubbish were floating in the landfill due to underground water. Waste were not segregated between recyclable waste and non-recyclable waste to minimise the contamination. Addition to that, observed several of oil spillage traces on the ground in large quantities. Also in Recycle Bin the waste were not segregated</p>

P5C4 Reduction of pollution and emission		Compliance	Findings
Indicator	Requirement		
I1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Same 4.5.1.2 and 4.5.1.3
I2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Same 4.5.1.2 and 4.5.1.3

P5C5 Natural water resources			
Indicator	Requirement	Compliance	Findings
I1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources of supply.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p> <p>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.).</p> <p>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.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted "Pelan Pengurusan Air" for 2020.</p> <p>a) Source of water: Syarikat Air Kelantan</p> <p>NC #6 (MN) Water usage in MRCSB sourced from SAK was not assessed.</p> <p>b) The main division located next to Sg Kelantan and another river named Sg. Durian flowing within the main division. As for Sg Tasan Division another tributary flowing into Sg Kuala Pertang. However, the estate has yet to carry out monitoring of outgoing water in the estate. Quotation was asked and acquired for water sampling from Aqua Diagnostics Sdn Bhd on 2/3/20. The completion will be followed up in the next audit.</p> <p>c) The estates practice rain water harvesting for chemical mixing activity and also recycles excess water from the activity for future chemical mixing activity.</p> <p>d) From sight visit observation noted both divisions were having rivers flowing in the estate. Noted that buffer zones had been established accordingly. Appropriate signage has been erected at specific locations.</p> <p>e) During site visit observed the vegetation within the buffer zone was left untouched. No sign or trace of chemical activity in the area.</p> <p>f) No bore well</p>
I2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No evidence of such activity spotted in the estate
I3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The estates practices rain water harvesting for chemical mixing activity and also recycles excess water from the activity for future chemical mixing activity.

P5C6 Status of rare, threatened, or endangered species and high biodiversity value area.			
Indicator	Requirement	Compliance	Findings
I1	<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> <p>b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted Biodiversity Assessment Report</p> <p>a) The assessment findings have recorded 4 species of protected wildlife in MRCSB according to the Malaysian Wildlife Conservation Act 2010 and IUCN Red List of Threatened Species. Species being identified such as:</p> <ol style="list-style-type: none"> 1) Red Junglefowl 2) Monitor Lizard 3) Long Tailed Macaque 4) Wild Boar <p>b) All the stated are protected wildlife by Malaysian Wildlife Conservation Act 2010 and IUCN Red List of Threatened Species.</p>

I2	<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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>According to the assessment report. 4 Species rare, threatened or endangered species, or high biodiversity value were present in the estate. However, the management had to established a plan for biodiversity management. The plan includes:</p> <ol style="list-style-type: none"> Control of illegal hunting by erecting "Kawasan Larangan Memburu" and "Tidak Dibenarkan Memburu" Control of chemical activity. To lodge complain to authority if there is any illegal hunting activity or human-wildlife conflict.
I3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Refer 4.5.6.2

P5C7 Zero burning practices

Indicator	Requirement	Compliance	Findings
I1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>NC #7 (MN) During site visit to the estate fields noted no usage of fire for land preparation. However, upon visiting worker quarters located in field 09, sighted several traces of open burning at the site.</p>
I2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

P6: Best Practices

P6C1 Site management

Indicator	Requirement	Compliance	Findings
I1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. There are SOP was established by MRCSB for all work carried out by the estate. All the SOP can be seen in file no.24 as reference MRCSB/M16/Pengurusan Bahan Kimia.
I2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. There is terrace area located at block 08A. In that area, MRCSB had constructed for the waterways to prevent soil erosion and landslides. The SOP can be seen in file no. 24.

I3	A visual identification or reference system shall be established for each field.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	MRCSB has developed a map for estate as well as a breakdown according to task and block. Each map is clearly visible and well documented.
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P6C2 Economic and financial viability plan

Indicator	Requirement	Compliance	Findings
I1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	MRCSB had established an annual budget for 2019 up to 2024. The budget includes the, manuring cost, Spraying, FFB cost. The budget was plan from 2019 with 5 years forecast plan up to 2024 as per documented in the file budget.
I2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	OBS Sighted. There is no implementation of replanting for this year's budget. Even though the basic age has reached the age of 30. The manager has brought the replanting proposal to the HQ and has also presented a paper on FFB performance in the future if not doing the replanting in the future. Still pending for approval. This was due to the management still contemplating on converting to other crop. The management decision will be followed up in the next audit.
I3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) Financial indicators : cost benefit, discounted cash flow, return on investment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. There is plan for crop projection, Cost of production and price forecast, Yield potential, FFB costing and cash flow was documented by the manager in the system and kept by the HQ.
I4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The budget was monitored by the Chairman of Company YM TENGKU DATUK DR MOHD AZZMAN SHARIFF ADEEN BIN TENGKU IBRAHIM and the estate manager.

P6C3 Transparent and fair price dealing

Indicator	Requirement	Compliance	Findings
I1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	MRCSB had appoint one contractor to supply machine such as Backhoe for FFB Evacuation and internal work. The usage rental payments are hourly. Every hour will be paid RM35 for all type of work. For sample last payment: Invoice no: INV000390 Date: 31/Jul/2019 Total hours claim: 152 x 35 = RM 5320.00
I2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. According to MRCSB, the backhoe contractor will be called to work if needed. And payments will be made at the end of the month. Payment will be made by HQ within 14 to 21 days after submission from Estate office to HQ.

P6C4 Contractor

Indicator	Requirement	Compliance	Findings
I1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. The MRCSB has only one contractor named Koh Teong Hock supply machinery backhoe for estate work such FFB hauling and others work in field. The was briefed on the MSPO Certification programme and also company Policy on 12 Dec 2019 during stakeholder meeting held by the MRCSB located at the manager's house in the estate. In the attendance list there is the nameof the contractor as stated.

I2	The management shall provide evidence of agreed contracts with the contractor.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	MRCSB has not engage with any outside contractor for estate work.
I3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	MRCSB will accept auditors from the MSPO or conducts audit at MRCSB either physical or documentation audit.
I4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Mr. Marzuki is the person in charge for the contractor and will report direct to Main Office.

P7: Development of new plantings

P7C1 High biodiversity value			
Indicator	Requirement	Compliance	Findings
I1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The whole Principle 7 of the standard is not applicable as the organisation does not have new planting activity in place.
I2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

P7C2 Peatland			
Indicator	Requirement	Compliance	Findings
I1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

P7C3 Social and Environmental Impact Assessment (SEIA)			
Indicator	Requirement	Compliance	Findings
I1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

P7C4 Soil and topographic information			
Indicator	Requirement	Compliance	Findings
I1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

P7C5 Planting on steep terrain, marginal and fragile soils			
Indicator	Requirement	Compliance	Findings
I1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

P7C6 Customary land			
Indicator	Requirement	Compliance	Findings
I1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I5	Identification and assessment of legal and recognised customary rights shall be documented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I7	The process and outcome of any compensation claims shall be documented and made publicly available.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

Section I Appendix



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Figure 4.1.1 : Stand Count Map of Mengkebang Division

Figure 1: Estate Layout (Mengkebang Division)



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Figure 4.1.2 : Stand Count Map of Sg Tasan Division

Figure 2: Estate Layout (Sg Tasan Division)