



Certification International


Audit Summary Report

20th September
2019

Company name	YP Nominees Holdings Sdn Bhd
Company Registration Number	254607-U
Address	Estate Address: Ladang Besout Jaya, 35600 Sungkai, Perak, Malaysia Postal Address: No. 26A, Persiaran Greentown 6, Greentown Business Centre, 30450 Ipoh, Perak, Malaysia
Report no	
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	2
Certified Area (Ha)	606.97 Ha
Telephone	05-2422010
E-mail	ypn.ldgbesout@gmail.com
Fax	05-2422011
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	20/09/2019	
Email	afiq@mr3cert.com	

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	Select...

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	Azman Bin Ab. Wahab
Alternate contacts	-
Management Representative contact no.	012-5745931
E-mail address	ypr.lbjbesout@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 nonconformities identified. This review has concluded that:

<input type="checkbox"/>	No nonconformities have been raised during last assessment.
<input type="checkbox"/>	Any nonconformities 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 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 Auditees Information

MR3 Assessors	Attendance during opening and closing meeting	
Team Leader	Name	Designation
Afiq Othman (AO)	1. Azman Bin Wahab	LBJ Manager
Team member	2. Omar Bin Sidek	Bidor Estate Manager
Shahrizal Mustapha (SM)	3. Muhammad SukriShaharuddin	LBJ staff
Trainee auditor		
-		
Observer		
-		

MR3 Assessors	Role	Qualification, Education, Working Experience.
Afiq Othman (AO)	Lead Auditor	<ul style="list-style-type: none"> - MSPO Certified Lead Auditor - BSc. (Hons) Marine Technology - A year experience working in Ministry of Natural Resources and Environment - 5 years experiences working for Sime Darby Plantation Berhad as Sustainability and Quality Management. - More than a year experience working in certification body
Shahrizal Mustapha (SM)	Auditor	<ul style="list-style-type: none"> - Certified Lead Assessor MSPO, ISO 9001, OHSAS 18001 and ISO 27001 - Bachelor Degree in Financial Engineering (Hons) - More than 5 years of multi-roles experience in ExxonMobil - More than 10 years of experience in various ISO and Sustainability auditing.

Section F Audit Process Matrix

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

Planned month & year	Aug 2019	Aug 2020	Aug 2021	Aug 2022	Aug 2023
Site(s) visited/to be visited	1. LdgBid or 2. LdgBes out Jaya	1.LdgBid or 2. LdgBes ut Jaya	1.LdgBid or 2. LdgBes ut Jaya	1.LdgBid or 2. LdgBes ut Jaya	1.LdgBid or 2. LdgBes ut Jaya
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☐	☐	☐	☐
Use of logo	☐	☐	☐	☐	☐
Follow-up from previous audit finding	☐	☒	☒	☒	☒
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Internal audit	☒	☒	☒	☒	☒
4.1.3 Management Review	☒	☒	☒	☒	☒
4.1.4 Continual Improvement	☒	☒	☒	☒	☒
4.2 Transparency					
4.2.1 Transparency of information and documents relevant to MSPO requirements	☒	☒	☒	☒	☒
4.2.2 Transparent method of communication and consultation	☒	☒	☒	☒	☒
4.2.3 Traceability	☒	☒	☒	☒	☒
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	☒	☒	☒	☒	☒

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: 3md.Recertification:2024

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

Section G Audit Note

Summary of Area Audited

Auditor	Date	Time
1. Afiq Othman 2. Shahrizal Mustapha	10 th & 11 th September 2019	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)

$$S = 2.0 (\sqrt{1}) = 1.41$$

2.0 estates to be visited

2 out of 2 estates from the group were audited during MSPO Main Assessment.

Audit Plan

Date	Time	Assessor	Business area / process	Clause
10/09/20 19	0900	AO	Introduction by client Opening meeting at LadangBesout Jaya &LadangBidor	
	1000	AO	Management commitment & responsibility	4.1
			Compliance to legal requirement	4.3
	1230		BREAK	

	1330	AO	Social responsibility, health, safety & employment condition	4.4
	1700	AO	Debrief of day 1 findings	
Date	Time	Assessor	Business area / process	Clause
11/09/20 19	0900	AO/SM	Transparency	4.2
			Environment, natural resources, biodiversity and ecosystem services	4.5
	1230		BREAK	
	1330	AO/SM	Best practices	4.6
			Development of New Planting (if any)	4.7
	1700	AO/SM	Closing Meeting	

Site's Information

1. Group Background

The business started off with Ladang Bidor (located in Bidor, Perak) which was established in 2005 whereas Ladang Besout Jaya (located in Sungkai, Perak) were developed later in 2012. These estates being owned by Yayasan Perak and run by YP Nominees Holdings Sdn Bhd (subsidiary). Both estates Ladang Besout Jaya and Ladang Bidor are being managed with 26 employees consist of Malaysian and Indonesian while occupying 547.53 ha and 60.65 ha respectively.

2. Site(s) Address List

Estate/ Mill	Location Address	Geo-Coordinate
Ladang Besout Jaya	Ladang Besout Jaya, 35600 Sungkai, Perak, Malaysia	N 4'04''67 E 101'96''67
Ladang Bidor	Ladang Bidor, Lot 3601, Mukim Bidor Daerah Batang Padang, 35600 Perak, Malaysia	N 4'04''02.78 E 101'12''23.33

3. MPOB License(s)

Estate/ Mill License Number	Scope of Activity	Expiry Date
Ladang Besout Jaya 599444002000	Menjual dan mengalih FFB	30/06/2020
Ladang Bidor 504508102000	Menjual dan mengalih FFB	30/07/2020

4. Description of Operating Unit(s)

Estate	FFB Production (MT)	
	Period:	
	Actual last FY	Estimated new FY
Ladang Besout Jaya	4,039.93	5,498.00
Ladang Bidor	1,365.24	1,183.00
Total	5,405.17	6,681.00

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			
Ladang Besout Jaya	547.53	0	546.32	0	0	1.21
Ladang Bidor	60.65	0	60.65	0	0	0
Total	608.18	0	606.97	0	0	1.21

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
Amin Bin Kamarudin (Contractor for supplying labour - Legasi Kamara)	<ul style="list-style-type: none"> - Currently supplying 3 workers - He is aware of MSPO from the awareness given by YPN representatives - Aware of the complaint form but has never made any complaints before - No issue on payment - PPE is given by the company - Training and safety and best practices has been given to the supplied workers but no records are available for sighting - No issues with estate to-date 	- Noted by the management
Chiu Kean Teik (FFB Transporter - Sawit Station SdnBhd)	<ul style="list-style-type: none"> - Is currently supplying 2 workers to manage internal transportation and lorries (with drivers) for external transportation - Records on FFB transported are recorded by mandore - He is aware of MSPO but has not been awareness on the complaint and grievance systems and forms - No issue with regards to the arrangement or payment 	<ul style="list-style-type: none"> - Noted by the management - The info with regards to MSPO shall be stipulated in the agreement

Nonconformity & Observation

1. Nonconformity

During the assessment 8 nonconformities were identified.

NCR No.: YPN-2019-NCR-1	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.4.4.2 (j)	Status & Due Date: Open (10 th September 2020)

Section 1 - Details of nonconformity

No accident recorded in 2019 as at the audit date. However, JKKP 8 was not submitted for 2018

Section 2 - Result of investigation and determination of root cause

Root Cause:

The management did not aware of the requirement.

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

Correction:

The management has created MYKKP Account and will carry out yearly submission.

Corrective Action:

The management has been briefed immediately after the audit on the importance of the submission.

NCR No.: YPN-2019-NCR-2	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.4.5.4	Status & Due Date: Open (10 th September 2020)
<p>Section 1 - Details of nonconformity</p> <p>Evidence of payment was not made available during the audit. The management could not prove that employees of contractor are paid based on legal industry minimum standard according to the employment contract agreed between the contractor and his employee.</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>The management did not realize of the requirement to monitor the salary payment of contractor workers.</p>		
<p>Section 3 - Correction (if applicable) and corrective action plan including completion date:</p> <p>Correction:</p> <p>The management will gather all the documents required from contractor to monitor the salary payment starting September 2019 onwards.</p> <p>Corrective Action:</p> <p>The management has been briefed by the consultant on the requirement and will do monitoring on monthly basis.</p>		

NCR No.: YPN-2019-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 (10 th September 2020)
<p>Section 1 - Details of nonconformity</p> <p>Sampled contract agreement for:</p> <ol style="list-style-type: none"> 1. Zumari B3064150 2. Warisul AT449395 3. Suhadi AU530253 <p>Based on Zumari and Warisul employment contracts signed in August 2017 observed daily rate of RM 38.46 was agreed despite having a new minimum wages order come into force starting January 2019. Revised employment contract/ addendum has yet to be issued to meet the new Minimum Wage Order (Amendment) 2018 with the daily rate of RM 42.31.</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>The management has started implement the new Minimum Wages Order starting January 2019. However, the management did not realize that the employment contract has yet to be revised.</p>		
<p>Section 3 - Correction (if applicable) and corrective action plan including completion date:</p> <p>Correction:</p> <p>Management will make addendum to the current contract to indicate new pay rate accordingly. The addendum will be issued to the workers as soon as it has been approved by the Board.</p> <p>Corrective Action:</p> <p>The management has set that the applicability of employment contract will be done on yearly basis.</p>		

NCR No.: YPN-2019-NCR-4	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.4.5.10	Status & Due Date: Open (10 th September 2020)
<p>Section 1 - Details of nonconformity</p> <p>In employment contract noted that workers are eligible for monthly attendance allowance of RM 85.00. However, no evidence from August 19 pay slips that such allowance has been given accordingly.</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>As the salary payment for workers is being handled at HQ level, the management staff overlooked on the allowance payment.</p>		
<p>Section 3 - Correction (if applicable) and corrective action plan including completion date:</p> <p>Correction:</p> <p>The payment will be back paid accordingly to the eligible workers starting from June 2019 onwards.</p> <p>Corrective Action:</p> <p>Moving forward the management staff will monitor the allowance payment every month. Should any changes happened the management will inquire the HQ.</p>		

NCR No.: YPN-2019-NCR-5	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.4.5.11	Status & Due Date: Open (10 th September 2020)
<p>Section 1 - Details of nonconformity</p> <p>Housing inspection only done once on 9/7/19. This is not in accordance to Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) which required to be done weekly.</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>The management did not aware of the requirement.</p>		
<p>Section 3 - Correction (if applicable) and corrective action plan including completion date:</p> <p>Correction:</p> <p>The housing inspection will be carried on weekly basis and verified by the estate manager as required by the Act.</p> <p>Corrective Action:</p> <p>The person in charge has been briefed by the consultant on the requirement of the Workers' Minimum Standards Housing and Amenities Act 1990</p>		

NCR No.: YPN-2019-NCR-6	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.5.3.5	Status & Due Date: Open (10 th September 2020)
Section 1 - Details of nonconformity <p>Current practice domestic waste from labour quarters and office is being collected and disposed at designated rubbish pit in Phase 1 Block 4. However, upon visiting the pit, observed empty pesticide container, empty paint container and fertilizer bag's inners were dumped into the pit. Also observed several humps of domestic waste uncollected at labour housing area.</p>		
Section 2 - Result of investigation and determination of root cause <p>Root Cause:</p> <p>The workers in charge of collecting and dumping domestic waste were not aware of the requirement.</p>		
Section 3 - Correction (if applicable) and corrective action plan including completion date: <p>Correction:</p> <p>Other than domestic waste dumped into the pit has been collected and stored accordingly.</p> <p>Corrective Action:</p> <p>The said workers will be trained in September 2019. Random checks will be done by the estate management.</p> <p>All excess chemical containers will be stored accordingly at the SW store by the workers.</p>		

NCR No.: YPN-2019-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 (10 th September 2020)
<p>Section 1 - Details of nonconformity</p> <p>During site visit to LBJ noted no traces of open burning activity. However, upon visiting LB facilities area, observed several open burning traces resulted from waste burning and BBQ activities on the ground.</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>Due to no designated BBQ area, rubbish pit and no signage of open burning prohibition.</p>		
<p>Section 3 - Correction (if applicable) and corrective action plan including completion date:</p> <p>Correction:</p> <p>Clean up of the area has been done.</p> <p>Corrective Action:</p> <p>The management will prepare designated facility for BBQ, allocate domestic waste dumping site and erect signboard at appropriate places by October 2019.</p>		

NCR No.: YPN-2019-NCR-8	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.6.3.1	Status & Due Date: Open (10 th September 2020)
<p>Section 1 - Details of nonconformity</p> <p>Currently YPN is in the midst of establishing contract agreement between the management and FFB Transportation Contractor namely Sawit Station Sdn Bhd. There was a proposal letter and quotation provided by the contractor side to YPN dated 18/1/18. However, it was found that the contractor has started transporting FFB for YPN despite the contract agreement has yet to be finalised and agreed by YPN and the contractor.</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>The top management took long time to finalised the contract and currently awaiting for advice from lawyer.</p>		
<p>Section 3 - Correction (if applicable) and corrective action plan including completion date:</p> <p>Correction:</p> <p>A temporary work order has been issued until the contract could be finalised.</p> <p>Corrective Action:</p> <p>To ensure all the agreement complete before starting the contract work in estate if any delay during preparing the agreement the management must write the temporary work order.</p>		

1. Observations

No	Observation Details
1.	<p>4.3.1.1</p> <p>Gensetpermit application in progress. Consultant has been appointed namely S.E.M. Dynamic Engineers Sdn Bhd. ST has visited the estate on 30/4/19 to check on Genset House specification compliance. All comments made by ST has been rectify and now waiting for verification visit by ST. This will be followed up in the next audit.</p>
2.	<p>4.3.2.3</p> <p>In Bidor Estate, observed that trenching system was established around the estate area to distinguish the estate area and neighbouring smallholders. However, the trenches were observed to have been silted significantly. YPN may consider to established boundary markers at strategic points to demarcate the area better.</p>
3.	<p>4.4.4.2 (b) & (i)</p> <p>CHRA has yet to be conducted. According to the management has identified suitable service provider and offer letter dated 28/8/19 has been issued accordingly. The completion will be verified in the next audit</p> <p>The management is planning to send Norazman and Sukri to First Aid Training to become competent first aider in November 2019. This will be verified in the next audit.</p>
4.	<p>4.4.5.5</p> <p>List of contractor workers has been established. However, the list was lacked of required information such as names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p>
5.	<p>4.5.1.2</p> <p>Environment Aspect Impact Assessment has been conducted. Among assessed aspect and impact</p>

	<p>were for replanting, maintenance of field and harvesting. However, other aspects and impacts such as labour quarter, landfill, genset and office have yet to be assessed.</p>
6.	<p>4.5.6.1</p> <p>The estate has yet to conduct Biodiversity Assessment. The management is currently looking for suitable assessor to conduct the study. The company is also considering to do it internally should suitable assessor could not be found. The completion will be followed up in the next audit.</p>
7.	<p>4.6.1.2</p> <p>Sighted. There is hilly area for LadangBesout Jaya about more than 25 degrees. LadangBesout had establish S.O.P for soil erosion at hilly area. As per documented in S.O.P file page no 22-23 indicator 1.17.3 (a) "Tanamkekacangsecepatmungkin".</p> <p>During sites visit, hilly area was not fully covered by Cover Crop as per stated in S.O.P. YPN can consider to replanting the Cover Crop to control soil erosion at hilly area.</p>
8.	<p>4.6.2.1</p> <p>The budget made available during the audit was only for year 2020. YPN may consider to prepare budget forecast for at least 3 years projection.</p>
9.	<p>4.6.2.2</p> <p>Observed crop age profile in Bidor Estate is between year 90-96. When asked about potential replanting activity, initially the management has agreed in principle to carry out replanting activity starting in 2019. However, since the existing palms still bear profitable yield, YPN decided not to proceed with the plan this year.</p> <p>YPN may consider to establish replanting programme of Bidor Estate for better planning.</p>

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	Sighted. The policy was established and signed by Rozita Bt. Ramli (Ketua Pegawai Eksekutif) on the date 02 Jan 2019 for Ladang Besout Jaya and Ladang Bidor.
I2	The policy shall also emphasize commitment to continual improvement.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>In the established MSPO Policy mentioned " Yayasan Perak Nominee" Komitmen dan tanggungjawab pihak pengurusan dalam pelaksanaan sijil MSPO dan mengekalkan dan menambah baik amalan-amalan kemampanan..."</p> <p>The MSPO policy was communicated to the staff, and workers accordingly on 05/Oct/18 by Mr. Abdul Basir B. Mohamed. The training record was made available as per documented.</p> <p>Sample of training to worker: En. Mohd Faiz B. Mas'od (Latihan Pelaksanaan MSPO) on the date 05 Oct 2018 as per documented.</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	<p>The Internal Audit procedure was established. The internal audit needs to be conducted annual and as and when required. Latest audit dated 02 Feb 2019.</p> <p>Internal audit programme has been established namely "Besout Jaya Estate"(BJ-DOC-P1C2/AP.Rev:00)."Ladang Bidor Estate"(BE-DOC-P1C2/AP.Rev:00).</p> <p>Audit Plan was issued on 02 Feb 2019. The audit was conducted as per plan by Mr. Abdul Basir B. Mohamed. Audit results were documented with 1 NCs and 3 OFIs.</p> <p>The NC report form was available to see and issue was review by the management and on going process to close. (CHRA not documented.) YPN had appointed CHRA Assesor to conduct chemical assesment by Sept 2019.</p>
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	<p>The Internal Audit procedure was established. The internal audit needs to be conducted annual and as and when required.</p> <p>The audit was conducted as per plan by Mr. Abdul Basir. Audit results were documented with 1 NC and 3 OFIs. All findings were transferred into Nonconformance Report. All findings were root cause analysed and corrective action identified.</p>
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	Sighted. There is audit report was established and discussion for audit finding had been discuss in management review meeting dated 08 Aug 2019.

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	<p>Sighted. There is audit report was established and discussion for audit finding had been discuss in management review meeting dated 08 Aug 2019. In the management review meeting there is discussion on MSPO requirement and continual improvement. The meeting was chair by Mr. Azman b. Ab Wahab for Ladang Besout and Ladang Bidor.</p>

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	Continual Improvement Plans have been established and categorised into Social, Safety & Health, Environment, Best Practices and Business Sustainability. The document can be see in Ladang Besout Jaya (BJ-DOC-P1C4/CIP) 1st June 2018. Ladang Bidor (BE-DOC-P1C4/CIP) 1st June 2018.
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	At the point of audit there was no new technique or technology being implemented. However, should new information or techniques introduced the management will be informed by authority, publication subscription or fellow planters.
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	Since was no new technology or technique is planned to be adopted, such plan was not available. However, the management has several continual improvement plan in ensuring endless improvement initiatives such as: Solar Panel, Tube Well for water supply and New Store for Fertilizer and Chemical as per verbal communication with Estate Manager En. Azman B. Ab. Wahab.

P2: Transparency

P2C1 Transparency of information and documents relevant to MSPO requirements

Indicator	Requirement	Compliance	Findings
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>Communication done according to established policy namely "Stakeholder Complaints and Grievances/ Feedback Procedure (BJ-PRO-P4C2/CG) Ladang Besout Jaya and Ladang Bidor (BE-PRO-P4C2/CG)</p> <p>The management uses stakeholder meeting as one of the mediums to communicate relevant information to its stakeholders. Latest meeting conducted was on 25/03/19. Among communicated information were pertaining MSPO implementation, Policies establishment, regulatory requirement, announcement of appointed PIC for communication with stakeholders, complaints and grievance mechanism.</p> <p>Request and response records were maintained in Stakeholder Complaints and Grievances/ Feedback Procedure (BJ-PRO-P4C2/CG) for Ladang Besout Jaya and Ladang Bidor (BE-PRO-P4C2/CG) . Stakeholders can write a complain through the form that has been established whenever there was any requests or assistant needed from estate. As at today no complain from stakeholder and workers. The management will have responded to the request in 15 days as per procedure documented.</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	Management Plans & Continuous Improvement Plans and company policies were publicly available. All the documents were verified during the audit.

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	Communication done according to established policy namely "Stakeholder Complaints and Grievances/ Feedback Procedure (BJ-PRO-P4C2/CG) LBJ and (BJ-PRO-P4C2/CG) for LB.
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	Estate Manager En. Azman B. Ab Wahab has been appointed as person responsible for handling social issue for Ladang Besout Jaya and Ladang Bidor. Appointment letters for the officer in-charge for social issues from Ketua Pegawai Eksekutif Puan Rozita Bt. Ramli, dated 18/03/19 were sighted. Ref No: YPN.10.4.69.
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 25/March/19 (Yayasan Perak Nominee with the participation of stakeholders such as government authorities, suppliers and contractors.) Meeting comment and recommendation was sighted. Request and response records were maintained in "Stakeholder Complaints and Grievances/ Feedback Procedure (BJ-PRO-P4C2/CG)"File.</p>

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	YPN has established Procedure for traceability namely "Traceability Procedure". Document reference no: BJ-PRO-P2C3/TP, dated 1st June 2018. Approved by En. Azman B. Ab Wahab Pengurus Ladang.
I2	The management shall conduct regular inspections on compliance with the established traceability system.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	YPN conducted internal audit to monitor the compliance towards the established traceability system. Latest internal audit for YPN was conducted on 02/Feb/19.
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	YPN has appointed the Assistant Manager, En. Norazman B. Mohamed as person responsible for traceability for Ladang Besout Jaya and Ladang Bidor as per letter signed by the respective En. Azman B. Ab Wahab Pengurus Ladang dated 01/Mar/19.
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>YPN had to division as Ladang Bidor and Ladang Besout Jaya.</p> <p>Ladang Besout Jaya had sent all the FFB to third party agent (Sawit Station Sdn Bhd).</p> <p>Ladang Bidor had sent the FFB direct to Gabungan Perusahaan Minyak Langkap Oil Mill Sdn. Bhd.</p> <p>The agreement between YPN and Sawit Station Sdn. Bhd still on going process to be ready. Sawit Station had give their offer letter and quotation to YPN for FFB rate such as:</p> <ol style="list-style-type: none"> 1) Crude Palm Oil = 18% 2) Palm Kernel = 5% 3) Processing Charges = RM 60 4) Transportation from Farm = RM 18 <p>All the offer letter and quotation documented and available. (Quotation No: SS002/18) (Proposal Letter: YPN/LBJ/1/2018)</p> <p>The YPN management maintained all relevant records of crop sales and delivery to the ramp. The estate records for FFB sales is from Sawit Station Sdn.Bhd only.</p> <p>Sampled records of delivery: (Ladang Besout Jaya)</p> <p>FFB Consignment Note: 2006 Date: 16/03/2019 Driver Name: Benett Vehicle No: WSN 7579 Checkroll: Jumar Block: 6 Time: 3;56 pm</p>

P3: Compliance to legal requirements

P3C1 Regulatory requirements			
Indicator	Requirement	Compliance	Findings
I1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>1. MPOB License (Ladang Besout Jaya) No: License: 599444002000 Expired date: 30/06/2020 Hectarage: 546.32 Hektar Alamat: Ladang Besout Jaya PT 5308 Sungkai 34600 Batang Padang Perak></p> <p>2. MPOB License (Ladang Pelawan Bidor) No License: 504508102000 Expired Date:31/07/2020 Hektar: 109.3 Hektar Alamat: Ladang Pelawan Bidor Lot 3601, Mukim Bidor, Batang Padang Perak.</p> <p>2. Jabatan Tenaga Kerja Permit for Hiring Foreign Workers. Letter from Kementerian Dalam Negeri Ref No: KDN/16031/HMBAM27611 Levi: RM 12,800.00 Exp Date: 09/07/2020</p> <p>OBS Genset permit application in progress. Consultant has been appointed namely S.E.M. Dynamic Engineers Sdn Bhd. ST has visited the estate on 30/4/19 to check on Genset House specification compliance. All comments made by ST has been rectify and now waiting for verification visit by ST. This will be followed up in the next audit.</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 file "Legal Regulatory Requirement".</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) Akta Kilang dan Jentera 1967 2) Akta Keselamatan dan Kesihatan Pekerjaan 1994 (Akta 154) 3) Peraturan-peraturan Keselamatan dan Kesihatan Pekerjaan (Jawatankuasa keselamatan dan kesihatan) 1996 4) Akta Keselamatan dan Kesihatan Pekerjaan 1994 5) Peraturan-peraturan Keselamatan dan kesihatan pekerjaan (Penggunaan dan Standard Pendedahan Bahan Kimia Berbahaya kepada Kesihatan) 2000. 6) Worker's Minimum Housing Standard and Ammenities Act 1990
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>The LRR was updated on 01/June/19. Noted new Safety and Health ICOP Noise, and Factories and Machinery.</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>YPN has appoint En. Salim B. Wahi as a Legal Requirement Register Officer for Ladang Besout Jaya and Ladang Bidor dated 01 Mac 2019 signed by Ketua Pegawai Eksekutif Pn. Rozita Bt. Ramli.</p> <p>To ensure the mechanism compliance to legal and other requirement has been documented.</p> <p>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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The YPN company has 2 land title, Ladang Bidor and Ladang Besout Jaya.</p> <p>Ladang Besout Jaya details: No. PT: PT5308 Luas Sementara: 546.32 Hektar Didaftarkan: 23 Ogos 2013</p> <p>Ladang Bidor No. PT: PT 5884 Luas Sementara: 103.43 Didaftarkan: 04 Mac 2005</p> <p>Based on the sighted land title, land use term for cultivation of oil palm.</p> <p>During site visit to the boundary area, noted the estate's activities did not diminish land use rights of other user Refer 4.3.2.1</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>As per documented: Ladang Besout Jaya: Land Tax Resit No: 080107HSD00020281 as dated 15/Nov/2018 for year 2019. RM 54,640.00.</p> <p>Ladang Bidor: Land Tax Resit No: 080102PN00272134 Dated: 13/11/2018 for year 2019. Total: RM 10,340.00</p>
I3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>The estate's boundaries were distinguished by trench system and roads. Original boundary stones have been located and indicated in a map.</p> <p>Ladang Besout Jaya neighbours with Sekolah Cina Estate, Sime Darby Estate, Suwa Estate, Sekolah Tamil Estate and Risda Semaian Estate. There is no issue and complaint for Estate land.</p> <p>Ladang Bidor boundaries neighbour with small holder. Nearest small holder was not giving cooperation to Estate for stake holder consultation. There is no issue or complaint regard on land issue.</p> <p>OBS In Bidor Estate, observed that trenching system was established around the estate area to distinguish the estate area and neighbouring smallholders. However, the trenches were observed to have been silted significantly. YPN may consider to established boundary markers at strategic points to demarcate the area better.</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>At the point of audit noted no complaint pertaining to land dispute has been made. Based on feedback given by interviewed Estate Manager, all the small holder around with Ladang Bidor, there are not giving any cooperation for stakeholder consultation, confirmed no such issue occurred. Further verified complaint forms filled, observed no complaint pertaining land usage.</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>The assessment done through stakeholder meeting which was conducted on 25/3/19. Negative and positive impacts were identified and translated into Management Plan on Social Impact Assessment. Among identified impacts were:</p> <ol style="list-style-type: none"> 1. Bad road condition that could potentially possess safety risk - The management has established Road Maintenance Programme to ensure the road is well maintained. Sighted the road maintenance programme that has been established for 2019. During the site visit, observed the road was in good condition. 2. Damaged parts at worker quarters - The management will carry out census at housing area and repair any broken parts. The census was done on 9/7/19. Rewiring works done on 19/8/19. This was evident from Invoice and Work Order records.

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	Sighted Stakeholder Complaints and Grievances/ Feedbacks Procedure PRO-P4C2/CG dated 1/6/18. The SOP has been documented and made available during the audit.
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	<p>From the SOP sighted above, attached together is flow chart on handling stakeholder complaints and grievances which specified on the suggested resolution periods. The suggested period as below:</p> <ol style="list-style-type: none"> 1. To receive complaint and record into complain book - Within 10 working days 2. Verification and investigation of the complaint - within a week. 3. Issue response letter to the complainant and brainstorm on the solution - within 15 working days 4. To carry out corrective action - not more than 23 months 5. Issue consent letter to the complainant - once the issue has been resolved.
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 form was made available at the estate office.
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	<p>The complaint mechanism has been made known to the stakeholders during stakeholder meeting that was conducted on 25/3/19.</p> <p>It was also communicated during Complaints & Grievance Training on 15/7/19.</p> <p>During the site visit to harvesting activity at Phase 1 Block 5. Interviewed Rudianto, Hanan, Warisol and Purnawirawan they confirmed that they have been informed on the complaints and grievances. Sighted records of Stakeholder Complaints & Grievances/ Feedbacks Form. The first form recorded was on 25/3/19. However, all records were merely feedbacks recorded during stakeholder meeting. No complaint recorded since then.</p>
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	<p>Sighted records of Stakeholder Complaints & Grievances/ Feedbacks Form. The first form recorded was on 25/3/19. However, all records were merely feedbacks recorded during stakeholder meeting. No complaint recorded since then.</p>

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	<p>Sampled CSR activities conducted:</p> <ol style="list-style-type: none"> 1. Jamuan Hari Raya 2019 for TKI dated 10/7/19 2. Jamuan Makan for good performance dated 25/4/19 3. Trip to Teluk Senangin for TKI dated 4/2/19

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>Sighted "Polisi Keselamatan dan Kesehatan Pekerjaan" dated 2/1/19 signed by CEO, Rozita Binti Ramli.</p> <p>The communication done through several methods such as stakeholder meeting and training.</p> <p>Training was conducted on 15/7/19 for internal stakeholders (workers and contract workers)</p> <p>It was also communicated during stakeholder meeting held on 25/3/19 in the morning. The meeting was attended by Health Dept, Smallholders, Neighbouring Estates, Suppliers and Contractors.</p> <p>Occupational Health & Safety Management Plan DOC-P4C4/HSP dated 1/6/18.</p> <p>During the site visit to harvesting activity at Phase 1 Block 5. Interviewed Rudianto, Hanan, Warisol and Purnawirawan they confirmed that they have been informed on the policy establishment.</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	The plan sighted above includes:
	a) A safety and health policy, which is communicated and implemented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	a) Policy and Communication as mentioned in 4.4.4.1
	b) The risks of all operations shall be assessed and documented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>b) HIRARC has been done. It includes activities such as Chemical Handling, Field Upkeep, Replanting, FFB Evacuation, Harvesting, Infield Grading, Road Maintenance, Genset Operation.</p> <p>OBS CHRA has yet to be conducted. According to the management has identified suitable service provider and offer letter has been issued accordingly. The completion will be verified in the next audit</p>
	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>c) Training programme has been established for 2019 which includes trainings as below :</p> <ol style="list-style-type: none"> 1. PPE Training - Jan 19 2. First Aid Training - Jan 19 3. Chemical Handling - Feb 19 4. Chemical Mixing Procedure - Apr 19 5. Spraying Procedure - May 19 6. Fertilization Procedure - July 19 7. ERP Training - Apr 19 <p>Sampled conducted Training:</p> <ol style="list-style-type: none"> 1. Chemical Handling - 20/6/19 2. Safe Work Place and PPE Usage - 15/7/19 3. Chemical Sprayer SOP - 11/3/19 4. Manuring SOP - 11/3/19
	i) all employees involved shall be adequately trained on safe working practices		
	ii) all precautions attached to products shall be properly observed and applied		
	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).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>PPE Issuance Record is being well maintained. Sampled PPE Issuance as below :</p> <p>Zumari (Harvester): Safety Shoes, Safety Helmet and Hand Glove</p> <p>Iskandar (Sprayer): Safety Shoes, Safety Helmet, Mask, Goggle, Hand Glove and Apron</p> <p>During the site visit to harvesting activity at Phase 1 Block 5. Observed Rudianto, Hanan, Warisol and Purnawirawan were equipped with adequate PPE.</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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>SOP sighted:</p> <ol style="list-style-type: none"> 1. Safe Operating Procedure 6 (Chemical Handling Procedure) which emphasises on chemical storage, issuance, before working, while working and after working.

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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted appointment letter of Safety & Health Officer for En. Norazman bin Mohamed, Assistant Manager dated 27/2/19. He was appointed by the CEO of YPN.
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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Meeting conducted on 20/3/19 attended by the estate management and worker representatives. According to the meeting minute, these were discussed: 1. Handing over appointment letters to safety committee members 2. Reminder to practice safe working procedure 3. PPE usage at all times while working 4. Workers were informed to communicate with management should anybody has yet to received PPE 5. Other matters
h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	These ERPs were sighted: 1. Chemical Spillage 2. Handling of Fire Emergency 3. Handling of Injury/ Illness 4. Handling of Chemical Contact 5. Handling Chemical Induced 6. Handling of Exploded Pressure Vessel 7. Handling Electrical Shock
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.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Internal training has been conducted on 18/3/19 done by Norazman. During the site visit to harvesting activity at Phase 1 Block 5. Observed first aid was not made available at working site OBS The management is planning to send Norazman and Sukri to First Aid Training to become competent first aider in November 2019. This will be verified in the next audit.
j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Minor #1 No accident recorded in 2019 as at the audit date. However, JKPP 8 was not submitted for 2018

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	Policies related to social as below: 1. Polisi Sosial 2. Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi The policies signed by the CEO dated 2/1/19
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	Based on the Social Policy noted that the management is committed in fair treatment to all workers in term of hiring, promotion, terms and conditions regardless of ethnic, nationality, gender, sexual orientation, politic view, religion and age. During the site visit to harvesting activity at Phase 1 Block 5. Interviewed Rudianto, Hanan, Warisol and Purnawirawan they confirmed that no discrimination being practiced
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	Sampled pay slips for August 2019: 1. Zumari B3064150 - Basic earned RM3228.75 2. Warisul AT449395 - Basic earned RM2599.00 Based on the records, Min Wage Order has been met.

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Apointed contractors: 1. Sawit Station (FFB Transportation) 2. Legasi Kamara (Field Upkeep)
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 type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Minor #2 Evidence of payment was not made available during the audit. The management could not prove that employees of contractor are paid based on legal industry minimum standard according to the employment contract agreed between the contractor and his employee. Such listing was seen from Pinfosys System namely Listing of All Employee Personal Data. OBS List contractor workers has been established. However, the list was lacked of required information such as names, gender, date of birth, date of entry, a job description, wage and the period of employment.
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	Sampled contract agreement for: 1. Zumari B3064150 2. Warisul AT449395 3. Suhadi AU530253 During the site visit to harvesting activity at Phase 1 Block 5. Rudianto, Hanan, Warisol and Purnawirawan confirmed that they have been provided with employment contract copy. Notel all sampled employment contracts were agreed and signed by employer and employers. Minor #3 Based on Zumari and Warisul employment contracts signed in August 2017 observed daily rate of RM 38.46 was agreed despite having a new minimum wages order come into force starting January 2019. Revised employment contract/ addendum has yet to be issued to meet the new Minimum Wage Order (Amendment) 2018 with the daily rate of RM 42.31
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	Attendance being recorded in Attendance Book. This was seen at Workers Quarters where the morning assembly point is at.
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	Each worker will be given designated rest day which is on Sunday. According to the employment contracts sampled, the workers are required to fulfill the requirement of 48 hours working in 6 days a week. Break time from 12am to 1pm. However, the management tolerates extra break time due to unfavourable condition at workplace.
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	Sampled pay slips for August 2019: 1. Zumari B3064150 - Basic earned RM3228.75 2. Warisul AT449395 - Basic earned RM2599.00 3. Priadi AU096338 - Basic earned RM1098.69, OT RM15.87 for 2 hours OT 4. Rudianto AU207588 - Basic earned RM2631.91, OT for 4 hours RM 31.74 Based on the basic and OT earned, noted legal requirement has been met.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	1. Free accommodation 2. Celebration of top performer 3. RM300 will be given to each worker at the end of contract tenure 4. Free air ticket upon finishing contract tenure 5. Attendance Allowance of RM 85.00/ Month 6. Panel Clinic Minor #4 In employment contract noted that workers are eligible for monthly attendance allowance of RM 85.00. However, no evidence from August 19 pay slips that such allowance has been given accordingly.

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 checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>quarters provided by the estate management. 3 houses with 3 rooms each.</p> <p>Minor #5 Housing inspection only done once on 9/7/19. This is not in accordance to Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) which required to be done weekly.</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>From Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi demonstrated the management's commitment towards:</p> <ol style="list-style-type: none"> 1. Full attention will be given to any sexual harassment issue occurred in the estate. 2. To protect the rights of reproduction.
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>Guideline not available No union member among the workers. The management expressed their commitments towards Freedom of Association in the Social Policy.</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"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>Youngest worker working in the estate is Muhamad Warisul Hilmi born in 1997 joined the company on 1/3/18</p>

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 2019 made available.</p> <p>Training Needs Assessment has been carried out for each workers based on job function. In the training needs workers are being evaluated on types of training required.</p> <p>Sampled of training records can be seen from Principles 4, 5 and 6 of this standard. All training records were kept and maintained accordingly</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Refer 4.4.6.1</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	<p>Training Programme 2019. Among planned trainings throughout the year:</p> <ol style="list-style-type: none"> 1. MSPO Requirement Policy - Jan 19 2. Safety and Health Awareness Training- Feb 19 3. ERP Training - Apr 19 4. Spraying Procedure - May 19 5. HIRARC - Jun 19 6. Fertilisation Procedure - August 19 7. Chemical Handling - Nov 19 8. MSPO Awareness Trainingq - Dec 19

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>Policy was made available during the audit namely "Policy Alam Sekitar dan Biodiversiti" dated 2 January 2019 signed by CEO, Rozita Binti Ramli.</p> <p>The communication done through several methods such as stakeholder meeting and training.</p> <p>Training was conducted on 15/7/19 for internal stakeholders (workers and contract workers)</p> <p>It was also communicated during stakeholder meeting held on 25/3/19 in the morning. The meeting was attended by Health Dept, Smallholders, Neighbouring Estates, Suppliers and Contractors.</p> <p>Sighted Environmental Management Plan, DOC-P5C1/EMP "Environmental Management Plan" dated 1/6/19.</p>
I2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Sighted Environmental Management Plan, DOC-P5C1/EMP "Environmental Management Plan" dated 1/6/19. The EMP meets the requirement of this indicator.</p> <p>a) Policy as mentioned above.</p> <p>b) OBS - Environment Aspect Impact Assessment has been conducted. Among assessed aspect and impact were for replanting, maintenance of field and harvesting. However, other aspects and impacts such as labour quarter, landfill, genset and office have yet to be assessed.</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>The improvement plan/mitigation measure was incorporated in the EAIA document performed. It was indicated as Control Measure.</p>
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	<p>Continual Improvement Plan was sighted for 2019. Listed plans related to environmental as below:</p> <p>1. To establish buffer zone sign as part of communication to employees pertaining prohibition of chemical activities around the area.</p> <p>The plan includes Target Implementation Date</p>
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	<p>Training Plan for Workers and Contractors sighted for 2019.</p> <p>Sampled Planned Trainings as below:</p> <ol style="list-style-type: none"> MSPO Awareness Training - Jan 19 Environment Awareness Training - Jan 19 ERP Training - Apr 19 Waste Chemical Handling - Mar 2019 <p>Sampled conducted training as below:</p> <ol style="list-style-type: none"> Waste Management Training 15/7/19 Open Burning Contril 18/3/19 Environmental Awareness Training 15/7/19
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	<p>A committee was newly established namely EPMC. Latest meeting conducted was on 17/7/19. Discussed matter:</p> <ol style="list-style-type: none"> Handling of Appointment Letters to EPMC members. Chairman reminded the participants to care for the environment Prohibition of DW mismanagement Appointment of PIC for DW collection monitoring Conservation of buffer zone from chemical

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>Electricity usage recorded into "Monthly Power Generation Record (Electricity)". Sighted for 2018 usage. The same record was sighted for 2019 up until June 2019.</p> <p>Diesel usage recorded into "Monitoring Diesel Consumption Record". Sighted for 2018 usage. The same record was sighted for 2019 up until June 2019.</p> <p>Baseline value and trend were observed through graph plotting.</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	Baseline value sighted in 4.5.2.1 is being used as estimation of electricity and diesel usage.
I3	The use of renewable energy should be applied where possible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No usage of renewable energy in the estate.

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	Identification was done and evident from "Identification, Prevention, Mitigation and Improvement Plan on Waste/ Pollution Source". Identified waste such as by-product, Scrap Irons, Old Tires, Domestic Waste and Recycle Waste. The identified sources such as Workshop, Store, Office
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	<p>a) As sighted in 4.5.3.1. Waste handling for each identified waste was documented into the Waste Management Action Plan</p> <p>b) Frond stacking for nutrient recycle, used water recycle for chemical mixing.</p>
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>Handling of Used Chemical Procedure PRO-P5C3/HUC dated 2/1/19. The SOP was made available and found to be adequate to meet the requirement of SW Reg 2005.</p> <p>At the moment the estate does not generate significant amount of potential SW. The only potential SW generated was fertilizer bag's inner layer. All inners were collected and stored in fertilizer store. They were not declared as SW.</p> <p>Empty pesticide containers were gathered at chemical premix area. The containers are either being re-used for premix activity or rinsed and punctured allowing it to be categorised as recycle waste.</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	Some empty pesticide containers were used for chemical mixing purpose and the excess containers were stored in designated store area. At the moment no disposal was made. Unused containers is being stored at designated area

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 type="checkbox"/> OFI	Minor #6 Current practice domestic waste from labour quarters and office is being collected and disposed at designated rubbish pit in Phase 1 Block 4. However, upon visiting the pit, observed empty pesticide container, empty paint container and fertilizer bag's inners were dumped into the pit. Also observed several humps of domestic waste uncollected at labour housing area.
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P5C4 Reduction of pollution and emission			
Indicator	Requirement	Compliance	Findings
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	Assessment has been conducted during EIA done by appointed consultant KenEp Consultancy and Services. This was evident from Environmental Monitoring Report of 4th Quarter (Oct - Dec 2018). The assessment findings were compiled and recorded Appendix 5 of the report "Jadual Pematihan Syarat Kelulusan EIA". Activities that could result in soil erosion, air emission, water pollution and waste generation were assessed. The appendix also included the consultant comments and estate management planning to mitigate the potential polluting activities.
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	Based on the consultant's comments above and site observation, observed that the requirement has been implemented

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>Water Management Plan DOC-P5C5/WMP dated 1/6/19.</p> <p>a) Water sourced from Lembaga Air Perak (obtained from Mr. Azman's house for LBJ and from nearby community for LB).</p> <p>b) Waster sampling point has been identified from EIA done by appointed consultant KenEp Consultancy and Services. 7 points have been identified for LBJ whereas none for LB since no outgoing water from the estate. Water sampling is required to be done for the 7 sampling points on quarterly basis. The estate has stopped acquiring water sampling service from the consultant starting 2019. The management has requested from DOE to stop acquiring services from KenEp and approved by DOE which was evident from corresponding letter from DOE dated 9/1/19 Ref YPN/50.9.2. The management is appointing new laboratory to carry out water samples testing. This was evident from offer letter dated 30/8/19 ref YPN.10.4.75-a issued to Trintinty Laboratory Sdn Bhd. The latest water sampling result sighted was from December 2018 carried out by KenEp Laboratories (M) Sdn Bhd. Based on the results observed all parameters were in compliance.</p> <p>c) Used water from chemical mixing activity is being recycled for future chemical mixing activity. Rain water harvesting done at storage area and housing area.</p> <p>d) Noted there was a river namely Sunagi Petai and a tributary flowing across the estate. Buffer zone has been established with undisturbed vegetation. Visited buffer zone located at Phase 1 Block 1 and Phase 1 Block 5. Prohibition of chemical activities</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	During site visit to the buffer zone area noted no such activities.
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	as mentioned in 4.5.5.1 c)

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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>OBS</p> <p>The estate has yet to conduct Biodiversity Assessment. The management is currently looking for suitable assessor to conduct the study. The company is also considering to do it internally should suitable assessor could not be found. The completion will be followed up in the next audit.</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>Despite not having Biodiversity Assessment done Biodiversity and Ecosystem Management Plan DOC-P5C6/BEP dated 1/6/19 was made available during the audit. The plan entails:</p> <p>a) Responsibilities to meet the legal requirements such as Protection of Wildlife Act 1972, Conservation Activities and Result Monitoring.</p> <p>b) No hunting signboard erected nearby entrance of the estate.</p>
I3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Refer 4.5.6.2</p>

P5C7 Zero burning practices			
Indicator	Requirement	Compliance	Findings
I1	<p>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.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>Minor #7</p> <p>During site visit to LBJ noted no traces of open burning activity. However, upon visiting LB facilities area, observed several open burning traces resulted from waste burning and BBQ activities on the ground.</p>
I2	<p>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.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>NA</p>
I3	<p>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.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>NA</p>
I4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>NA</p>

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	<p>Sighted. SOP was established for the Estates were distributed to all operating units as a guidance document to conduct estate operation. The SOP covers land preparation, planting material, upkeep, harvesting, FFB transportation and etc. The implementation is being monitored by mandore all the time and will be oversee by the estate supervisor. The implementation will be verified during annual internal audit.</p> <p>During interview session with harvesters, they demonstrated good understanding on harvesting best practice.</p>
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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Sighted. There is hilly area for Ladang Besout Jaya about more than 25 degree. Ladang Besout had establish S.O.P for soil erosion at hilly area. As per documented in S.O.P file page no 22-23 indicator 1.17.3 (a) "Tanam kacang secepat mungkin".</p> <p>OBS During sites visit, hilly area was not fully covered by Cover Crop as per stated in S.O.P. YPN can consider to replanting the Cover Crop to control soil erosion at hilly area.</p>
I3	A visual identification or reference system shall be established for each field.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>YPN Estates had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps. The estate area is divided into 2 phases for Ladang Besout Jaya and 1 phase for Ladang Bidor which consist of few blocks in each phase.</p> <p>Ladang Besout Jaya Phase 1 - Block 1-6 Phase 2 - Block 1-7</p> <p>Ladang Bidor Phase 1 - Block 1-7</p>

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	<p>YPN Estate had established an annual budget for 2019. The budget includes the direct cost, fixed cost, manuring cost, Spraying, FFB cost, Safety, Welfare etc. The budget was plan 2019 with 3 years forecast plan up to 2020 as per documented on budget report book.</p> <p>OBS The budget made available during the audit was only for year 2020. YPN may consider to prepare budget forecast for at least 3 years projection.</p>
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	<p>YPN is a new development Estate. Ladang Besout Jaya palm age: Phase 1: 2013 Phase 2: 2015</p> <p>Ladang Bidor: Phase 1: 1990</p> <p>OBS Observed crop age profile in Bidor Estate is between year 90-96. When asked about potential replanting activity, initially the management has agreed in principle to carry out replanting activity starting in 2019. However, since the existing palms still bear profitable yield, YPN decided not to proceed with the plan this year. YPN may consider to establish replanting programme of Bidor Estate for better planning.</p>

I3	<p>The business or management plan may contain:</p> <p>a) Attention to quality of planting materials and FFB</p> <p>b) Crop projection: site yield potential, age profile, FFB yield trends</p> <p>c) Cost of production : cost per tonne of FFB</p> <p>d) Price forecast</p> <p>e) Financial indicators : cost benefit, discounted cash flow, return on investment</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The business plan sighted contains:</p> <ol style="list-style-type: none"> 1. Tools and parts 2. Chemicals 3. Allowance and Salaries 4. Diesel 5. Workers administration 6. Transportation and machineries 7. Maintenance
I4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The budget plan was reviewed annually with both actual and forecasted amount for 3 years (up to 2020) and well documented upon request.</p>

P6C3 Transparent and fair price dealing

Indicator	Requirement	Compliance	Findings
I1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>Legasi Kamara (002127657-K) There is 3 workers supply by Legasi Kamara to YPN for Upkeep Job. There is no agreement between Legasi Kamara and YPN. Legasi Kamara job was depend on Work Order. Sample work order:</p> <p>Work Order No: 0321 Date: 13/08/2019 Descriptions Work: Membaja Kieserite LBJ1 and LBJ2 Total: RM 4293.75</p> <p>Minor #8 Currently YPN is in the midst of establishing contract agreement between the management and FFB Transportation Contractor namely Sawit Station Sdn Bhd. There was a proposal letter and quotation provided by the contractor side to YPN dated 18/1/18. However, it was found that the contractor has started transporting FFB for YPN despite the contract agreement has yet to be finalised and agreed by YPN and the contractor.</p>
I2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>For Legasi Kamara there is Work Order was issue and its legal and transparent and agreed payments and to complete work within 30 days.</p>

P6C4 Contractor

Indicator	Requirement	Compliance	Findings
I1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Sighted. Briefing and explanation about MSPO and all the company policies has been brief to contractor, workers and staff. During interview with contractor Legasi Kamara Mr. Amin B. Kamruddin and Mr. Chiu Kean Teik from Sawit Station, there are understand and aware about MSPO and had attend training at Ladang Besout Jaya dated 15/July/2019 conducted by Mr. Abdul Basir.</p>
I2	<p>The management shall provide evidence of agreed contracts with the contractor.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Refer: 4.6.3.1 Only Work Order for Legasi Kamara.</p>
I3	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>During the audit no restriction given by the contractors. Few representative from Legasi Kamara and Sawit Station present for stakeholder consultation dated 15 July 2019.</p>

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. Fazlizam B. Samsudin as a Field Supervisor to monitor all the contract workers work and to monitor daily work progress also to record all the details of FFB by daily crop book record.
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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



Image 1: Ladang Bidor Layout

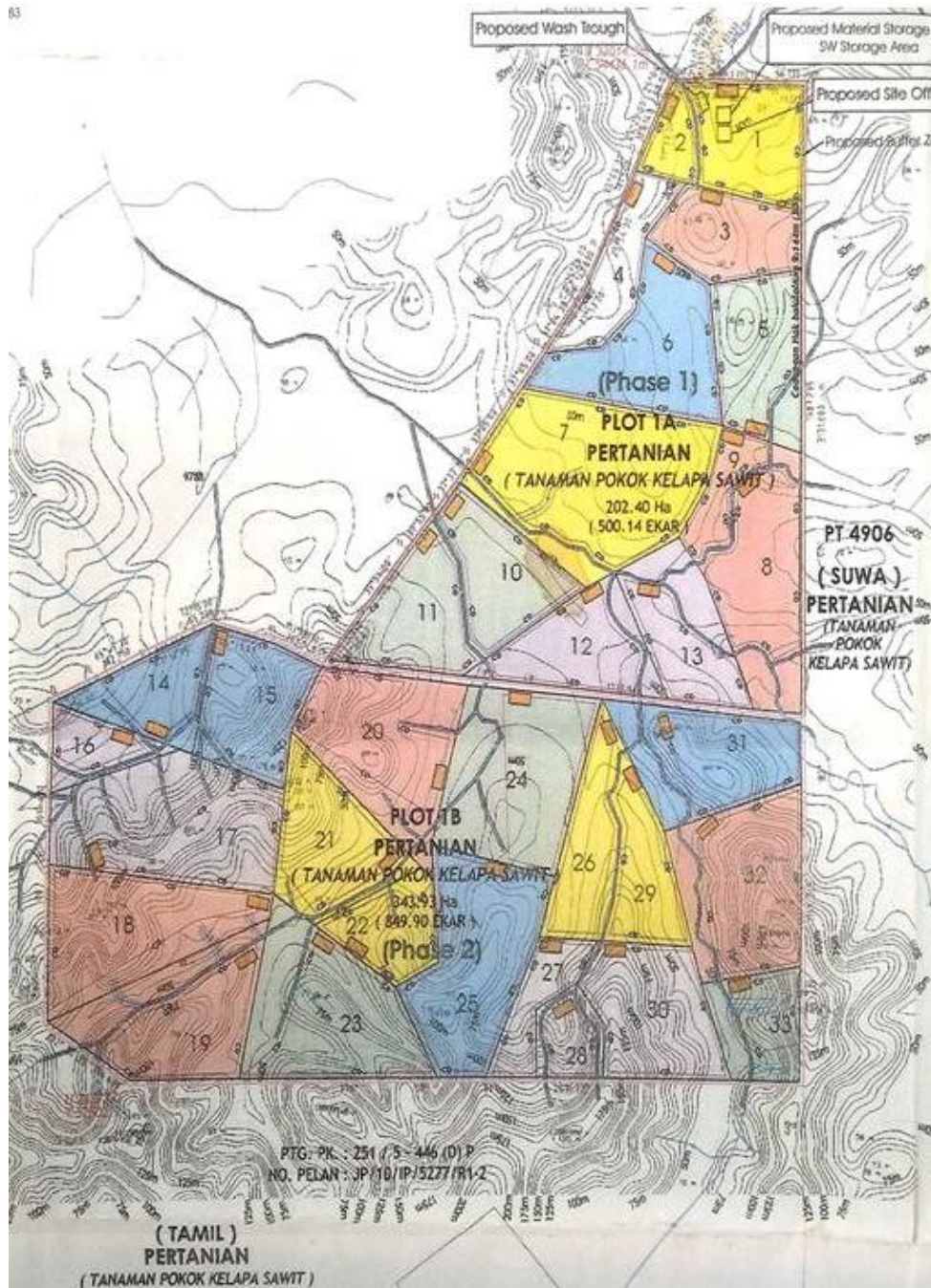


Image 2: Ladang Besout Jaya Layout