




Certification International

Audit Summary Report	20 th – 21 st August 2019
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Company name	Neoh Choo EeCo Sdn Bhd
Company Registration Number	3077-T
Address	LadangCheroh, 27620 Raub, PahangDarul Makmur, Malaysia
Report no	MR3/NCE/003/2019
Standard	MS2530:2013 Part 3 (MSPO)
Audit type	Main Assessment
Audit Scope	Cultivation of Oil Palm Fresh Fruit Bunch in Compliance to MSPO MS2530-3:2013
Number of Mill	-
Mill Capacity	-
Number of Estate	1
Certified Area (Ha)	1461
Telephone	09-3697200
E-mail	cherohestate@gmail.com
Fax	-
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	31/08/2019	
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	Yes

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

Contact Details	
Management Representative	Mr. Othman Bin Ismail
Alternate contacts	-
Management Representative contact no.	-
E-mail address	cherohestate@gmail.com
Fax Number	-
Fixed Line Number	09-3697200
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 Recertification 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
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Section E Auditor and Auditees Information

MR3 Assessors	Attendance during opening and closing meeting	
Team Leader	Name	Designation
Afiq Othman (AO)	1.Othman Bin Ismail	Estate Manager
Team member	2. Rosman Bin Din	Assistant Manager
-	3.Wan Asri Bin Wan Mohamed	Field Supervisor
Trainee auditor	4.Siti Nurzafikah Binti Zainal Abidin	Staff
Kamarulzaman Abu Bakar (KAB)		
Observer		
-		

MR3 Assessors	Role	Qualification, Education, Working Experience.
Afiq Othman (AO)	Lead Auditor (Principle 1, 2, 3, 4,5& 6)	<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

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	Cheroh Estate	Cheroh Estate	Cheroh Estate	Cheroh Estate	Cheroh Estate
Internal Audits	☒	☒	☒	☒	☒

Stakeholder consultation / survey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of logo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Follow-up from previous audit finding	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1 Management Commitment & Responsibility					
4.1.1 MSPO Policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.2 Internal audit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.3 Management Review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.1.4 Continual Improvement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2 Transparency					
4.2.1 Transparency of information and documents relevant to MSPO requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.2 Transparent method of communication and consultation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.2.3 Traceability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3 Compliance to legal requirements					
4.3.1 Regulatory requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.2 Land use rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.3.3 Customary land rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4 Social responsibility, health, safety and employment condition					
4.4.1 Social impact assessment (SIA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.2 Complaints and grievances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.3 Commitment to contribute to local sustainable development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.4 Employees safety and health	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.5 Employment conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.4.6 Training and competency	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5 Environment, natural resources, biodiversity and ecosystem services					
4.5.1 Environmental management plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.2 Efficiency of energy use and use of renewable energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.3 Waste management and disposal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.4 Reduction of pollution and emission including green house gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.5 Natural water resources	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.6 Status of RTE species and high biodiversity value area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.5.7 Zero burning practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6 Best Practices					
4.6.1 Mill management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.4 Contractor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Assessment man days for the next assessment: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	20 th – 21 st August 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)
 $S = 1.0 (\sqrt{1}) = 1$
 1.0 estates to be visited

Since this is an individual certification. Sampling of operating unit is not applicable

Audit Plan

Date	Time	Assessor	Business area / process	Clause
20/08/2019	0900	AO	Introduction by client Opening meeting at Cheroh Estate	
	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
21/08/2019	0900	AO	Transparency	4.2
			Environment, natural resources, biodiversity and ecosystem services	4.5
	1230		BREAK	
	1330	AO	Best practices	4.6
			Development of New Planting (if any)	4.7
1700	AO	Closing Meeting		

Site's Information

1. Group Background

Neoh Choo Ee & Co SdnBhd (NCE) is a private limited company based in Penang, Malaysia. The company is principally engaged in investment in share, production and sale of rubber and fresh fruit bunches. NCE owns Cheroh Estate, a medium sized plantation located near Raub, Pahang. NCE Acquired the estate in 1963 but first planting did not take place until 1991. Cheroh Estate has a concession area of 1461 ha of which 1358 ha is planted with oil palm. The estate supplies all of its FFB to Tan Siang Oil Mill.

2. Site(s) Address List

Estate/ Mill	Location Address	Geo-Coordinate
Cheroh Estate	Ladang Cheroh, 27620 Raub, Pahang Darul Makmur, Malaysia	N 3.9069, E 101.8164

3. MPOB License(s)

Estate/ Mill License Number	Scope of Activity	Expiry Date
Cheroh Estate 501638202000	Menjual dan mengalih FFB	31/08/2020

4. Description of Operating Unit(s)

Estate	FFB Production (MT)

	Period:	
	Actual last FY	Estimated new FY
Cheroh Estate	18,431.53	22,050.00
Total	18,431.53	22,050.00

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			
Cheroh Estate	1461.00	1290.00	68.00	0	0	103
Total	1461.00	1290.00	68.00	0	0	103

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
En. Afiq B. Akmal Assistant Manager Tiang Siang Oil Mill (FFB Buyer)	<ul style="list-style-type: none"> - He has been with Tiang Siang Oil Mill for 4 years. - He has been informed about MSPO and the need of requirement of MSPO for certification - No issue on FFB delivery and quality. - He has been informed and brief about how to make a complaint by Estate. - Any complaints will be directed to Estate Manager - There is two-way communication between Estate and Oil Mill. - Mr. Afiq Akmal will be attending Stakeholder Meeting arrange by Estate. 	<ul style="list-style-type: none"> - Noted by the management
En. Roslan,	<ul style="list-style-type: none"> - He regularly communicates 	<ul style="list-style-type: none"> - Noted by the management

Kg MelayuCheroh (neighbouring community)	<p>with the estate manager. He described the relation between the estate and the community is on good terms.</p> <ul style="list-style-type: none"> - The estate made donation to the community during the last Hari Raya Festival. - The management once provided manpower to help the community to carry out "gotong-royong". - He was invited to the last stakeholder meeting and attended. During the meeting the attendees were briefed on complaint mechanisms. 	
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Nonconformity & Observation

1. Nonconformity

During the assessment **6** nonconformities were identified.

NCR No.: NCE-2019-NCR-1	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.5.2.1	Status & Due Date: Open (20 th August 2020)

Section 1 - Details of nonconformity

It was found that electricity usage and was being recorded through TNB bill and kept into "TNB" File. However, the record monitoring only done for estate office and executive bungalows. Addition to that baseline value and trend were not observed as required by the indicator of this standard.

Section 2 - Result of investigation and determination of root cause

Root Cause:

Electricity consumption by the contractors were not included in the records/ monitoring earlier due to lack of knowledge about this requirement.

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

To include the Diesel and TNB baseline value and trend as required and to conduct refresher training for handling and record keeping for related renewable energy in plantation operation.

NCR No.: NCE-2019-NCR-2	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard:	Indicator:	Status & Due Date:

MSPO MS 2530 – 3: 2013	4.5.2.2	Open (20 th August 2020)
<p>Section 1 - Details of nonconformity</p> <p>Estimation of electricity and diesel usage by contractors were not made available during the audit. Current practice, the management only records actual usage of electricity excluding workers housing.</p> <p>According to the requirement of this indicator, “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.”</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>The electricity and diesel consumption by contractors were not recorded/ monitored by the estate due to lack of knowledge about this requirement.</p>		
<p>Section 3 - Correction (if applicable) and corrective action plan including completion date:</p> <p>To include the estimation chart for fuel and electricity which includes contractor’s usage in estate projection 2020 as per requirement. To conduct refresher training for handling and record keeping for related renewable energy in plantation operation.</p>		
NCR No.: NCE-2019-NCR-3	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.5.3.3	Status & Due Date: Open (20 th August 2020)
<p>Section 1 - Details of nonconformity</p> <p>Procedure of Handling of Used Chemical, PRO-P5C3/HUC has been established dated 13/3/19. The SOP was made available and found to be adequate to meet the requirement of SW Reg 2005.</p> <p>However, notification of 2nd Schedule of Scheduled Waste Regulation 2005 has yet to be done either through e-swis or manually despite having scheduled waste generated in the estate.</p>		
<p>Section 2 - Result of investigation and determination of root cause</p> <p>Root Cause:</p> <p>At the time of audit the management had not gotten advise from competent person on SW management and e-SWIS operation. Hence the notification was not made and SW labeling was not in accordance to right format due to no supervision.</p>		

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

Current progress the estate had to do the notification manually and planning to register an account user for e-SWIS. Should there is any new SW generated by the estate, the management will immediately notify through e-SWIS.

NCR No.: NCE-2019-NCR-4	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Standard: MSPO MS 2530 – 3: 2013	Indicator: 4.5.3.4	Status & Due Date: Open (20 th August 2020)

Section 1 - Details of nonconformity

It was found that some empty pesticide containers were used for chemical mixing purpose and the excess containers were stored in designated store area. However, noted the stored excess containers were not rinsed and punctured accordingly.

Section 2 - Result of investigation and determination of root cause

Root Cause:

The available containers seen was not punctured as some of it were planned to be used for pre-mixed chemical. Addition to that the estate had never conducted a proper recording of re-used and excess chemical containers.

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

Estate's staff has been instructed that all excess empty chemicals containers should be rinsed/punctured accordingly.

To conduct refresher training on SW handling for respective personal.

1. Observations

No	Observation Details
1.	4.4.1.1 SIA has been conducted concurrently with HCV assessment in 2015 from 9-13 of November. Likely social impacts were identified during the assessment. Action plan was sighted from 2016. It was found that all of the plans listed has been carried out and completed. The management may consider to update the plan to include new plans to mitigate negative impacts and promote positive ones.
2.	4.4.4.2

	<ol style="list-style-type: none"> 1. HIRARC has been done dated 8/1/19. The HIRARC covers all operation activities and non-operation activities. However, HIRARC was not done for commuting to/from work using motorcycle. During site visit to the estate area, observed several motorcyclists in the estate were not wearing appropriate helmet while riding. The management may want to consider assessing that area as it is part of the estate activities. 2. Safety meeting is being conducted on quarterly basis. The estate started practicing safety meeting since 12/12/18. The latest meeting conducted was on 20/6/19. The meeting was attended by the estate management and contractor's representative. The management may want to consider including contract workers in the meeting to get more inputs on safety issue being faced by the workers. 3. During site visit to the Chemical Store, observed ERP not being displayed at the area. The management could opt to display relevant ERPs at relevant area to enhance effectiveness of emergency response. Also observed emergency shower nearby to the chemical store was not strategically placed. The management may to make some adjustment to enhance better practicality of the shower placement
3.	<p>4.4.5.5</p> <p>Siti Nurzafikah name was not included in the workers list. This will be verified in the next audit</p>
4.	<p>4.4.5.11</p> <p>Labour quarters</p> <p>During site visit to the area, observed rubbish were scattered around the houses. The management may want to intensify monitoring of the housing area cleanliness e.g regular inspection.</p> <p>Fire extinguisher only one available in the area. The management may consider to increase the number of fire extinguisher.</p> <p>Also observed no prohibition of open burning signage erected in vicinity.</p>
5.	<p>4.4.6.2</p> <p>Training needs of individual employees has yet to 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. According to the management, since the estate started implement MSPO quite later in 2019, they will only do the training needs analysis for the year 2020. This will be followed up in the next audit.</p>

6.	<p>4.5.1.2</p> <p>Environment Aspect Impact Assessment has been established for Nursery, Replanting, Maintenance and Harvesting. It was not done for Storage, Lineside and Workshop.</p>
7.	<p>4.5.4.2</p> <p>During site visit to the workshop area in the estate premises which is being managed by contractor, observed several pollutions occurred in vicinity such as oil spillage not addressed, scattered rubbish, lubricant containers lying around, loads of cigarette butts and poor housekeeping. However, the management has included improvement measure plans in its Continual Improvement Plan which will be carried out in September 2019. This will be followed up in the next audit.</p>
8.	<p>4.5.5.1</p> <ol style="list-style-type: none"> 1. Water sourced from Jabatan Bekalan Air and rain water harvesting. However, the assessment of water usage was only done for office and executive bungalows but not for workers housing. 2. Last water sampling sent to Tian Siang Mill for lab testing for Sg Cheroh was on 24/6/19 but the mill is yet to returned with the result. It was sent for 2 points to monitor incoming and outgoing water. Samples were taken from Field 02 and Field 96A. The result will be followed up in the next audit

Section H Audit Findings

P1: Management Commitment & Responsibility

P1C1 Malaysian Sustainable Palm Oil (MSPO) Policy			
Indicator	Requirement	Compliance	Findings
I1	A policy for the implementation of MSPO shall be established.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The policy of MSPO was established and documented date 25 Jan 2019. Policy was signed by the Director of Company Mr. Neoh Choo Ee.
I2	The policy shall also emphasize commitment to continual improvement.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The continual improvement commitment is documented in the following MSPO Policy dated 25 Jan 2019.</p> <p>The commitments are made by Dr. Neoh Soon Kean the Managing Director of Neoh Choo Ee & Co Sdn. Bhd.</p>

P1C2 Internal Audit			
Indicator	Requirement	Compliance	Findings
I1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	MSPO Internal audit was carried out by En. Basir on 22 May 2019. The Internal Consultative Assessment Report dated 22 May 2019 was verified by the Manager Mr. Othman B. Ismail.
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>An internal audit procedure (NCE-PRO-P1C2/IA dated 13 March 2019) had been established and documented.</p> <p>The results of the audit conducted on 22 Jan 2019. The identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action had been taken to solve the Non-Conformity.</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	There is documented audit report sign by Estate Manager Tn. Hj. Othman B. Ismail On 22 May 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. Procedure was available as per documented NCE-PRO-P1C3/MR"Management Review"</p> <p>On annual basis management review is conducted by En. Basir and verified by Tn. Hj Othman as Estate Manager. The last management review was conducted on 23/Apr/2019. All pertinent agenda has been discussed for the effective implementation of MSPO.</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	Sighted. Estate had established the method for continual improvement, e.g.: Improvement of Labour Quarters and Workshop Parking Bay. As plan in Continual Improvement Activiteis.
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	The management has conducted training need analysis on annually basis to identify the needs of training for each group of workers. The training identified including operations, understanding of MSPO requirements, company policies, health and safety etc. The training identified were programmed throughout the year. The MSPO training was conducted by En. Basir on the dated 23 Apr 2019.
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	Sighted. Estate had established the method for continual improvement, e.g.: Improvement of Labour Quarters and Workshop Parking Bay. As plan in Continual Improvement Activiteis.

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	Refer to Procedure NCE-PRO-P2C2/CC Stakeholder Consultation and Communication. Estate using verbal communication during stakeholder meeting on 23 Apr 2019.
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	The policies were also displayed at the main notice boards of the estates and muster ground notice boards for employees and visitors to view.

P2C2 Transparent method of communication and consultation			
Indicator	Requirement	Compliance	Findings
I1	Procedures shall be established for consultation and communication with the relevant stakeholders.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Refer to Procedure NCE-PRO-P2C2/CC Stakeholder Consultation and Communication. The procedure were established on date 13 mar 2019.
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	The Assistant Estate Manager En. Rosman Bin Din is responsible person to deal with the external communication.
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	The latest stakeholders list for FY 2018/2019 was updated on Stakeholder List. The external stakeholder consultation is conduct once a year. The last stakeholder meeting was conducted on 23 Apr 2019 for Cheroh Estate. External stakeholder invited (contractor- Tan Min Keong (Upkeep Contractor), village representative, En. Nik Roslan B. Mohd Adam Kg Melayu Cheroh (Ketua Kampung), Hock Joo Estate Manager Mr. Mohd Idrus B. Beni, En. Othman B. Majid Balai Polis Cheroh. There were no negative feedback with regards to the estate and activities in the stakeholder consultation.

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	<p>The Cheroh Estate had established the Procedure as per documented under NCE-PRO-P2C3/TP. Cheroh Estate had sent the FFB to Tian Siang Oil Mill Sdn Bhd.</p> <p>The weighbridge ticket provided the following details:</p> <ol style="list-style-type: none"> 1. Product (FFB) 2. Delivery note from estates stating the weight. 3. D.O Number 4. Date of the shipment 5. Lorry no 6. Field/Block
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	MSPO Internal audit was carried out by En. Basir on 22 May 2019. The Internal audit conducted has included the traceability elements dated 22 May 2019 was verified by the Manager Mr. Othman B. Ismail.
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	The overall personal in charge for the traceability is the Cik Siti Nurzafikah Bt. Zainal Abidin as the appointment letter on the date 13 Mar 2019 as a Traceability System Officer. Signed by Estate Manager Tn. Hj. Othman B. Ismail.
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	There is record for sales of FFB as per documented NCE-FOM-P2C3/MFB. The delivery note of the FFB are kept at the operating units at office.

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 checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>MPOB License : 501638202000 Exp date: 31/08/2019 Address: Cheroh Estate Mukin Batu Talam, 27620 Raub Pahang. Keluasan: 1280 Hektar Aktiviti berlesen: Menjual dan mengalih.</p>
I2	The management shall list all laws applicable to their operations in a legal requirements register.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>All legal requirement was documented in Legal and Requirement Register.</p> <p>All the legal and other requirements were register accordingly and documented in the legal requirement such as:</p> <ol style="list-style-type: none"> 1) 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 Peraturan-peraturan Keselamatan dan kesihatan pekerja (Penggunaan dan Standard Pendedahan Bahan Kimia Berbahaya kepada Kesihatan) 2000.
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	Document has been establishing and implemented. All legal requirement was documented in Legal and Requirement Register. Compliance to each applicable law and regulation is monitored by the operating units.
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	Compliance to each applicable law and regulation is monitored by the appointed person Cik Siti Nurzafikah Bt. Zainal Abidin as Legal Register Clerk on the date 13 Mar 2019.

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	Sighted. As per documented in 22 land title stated no Special Terms.
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	As per documented. Estate had pay Quit Rent: Receipt no: 060706GRN00008524. Lot No: 0000411 Date issue: 19/02/2019 Amount: Rm 9127.00
I3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. During sites visit, there is Boundaries marking in field and maintained. One of the Boundary marking at field 2002 beside small holder Leow Chee Wei. Legal boundaries at estates maps were clearly demarcated with red and white colour concrete pole with fences and security trenches at field 2002 and 2011B. There is surveyour Map as per documented in land title
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There were no issues of land disputes. Complaint records and stakeholder inputs did not indicate any with regards to land issue

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	There have been no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.
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	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders.
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	Since estate do not have any land diputes issue. This indicator was not applicable.

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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	OBS SIA has been conducted concurrently with HCV assesment in 2015 from 9-13 of November. Likely social impacts were identified during the assessment. Action plan was sighted from 2016. it was found that all of the plans listed has been carried out and completed. The management may consider to update the plan to include new plans to mitigate negative impacts and promote positive ones.

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	Complaint and Grievance Resolution Procedure MSPO/NCE/P4C24.2.1 dated March 2019 was sighted.
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>In the SOP, it explains the time suggested to resolve any issue arises.</p> <p>5 working days - to receive complaint from complainant and schedule a meeting to discuss on the issue</p> <p>7 working days - the management will write in written answer to the affected person</p> <p>5 working day - the complainant may appeal to the director if not satisfied with the suggested resolution</p> <p>7 working days - the Director will write in written decision to the affected person until consent between two sides can be achieved.</p>
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 together with suggestion box.
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 communication done through several methods such as stakeholder meeting and training.</p> <p>Training was conducted on 23/4/19 for internal stakeholders (workers and contract workers)</p> <p>It was also communicated during stakeholder meeting held on 23/4/19 in the morning. The meeting was attended by Police Dept, Kg Melayu Cheroh Rep, Hock Joo Estate and Contractor</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	The record was available and well maintained. Based on the Feedback Forms reviewed, noted no negative comments given. The earliest records was from 23/4/19.

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	1. Donation to Cheroh Mosque on 21/6/19. This can be evident from Expenditure Ledger Posting for the month of June 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 established polisy "Polisi Keselamatan dan Kesihatan Pekerja". The policy was established on 25/1/19 signed by the Director, Dr. Neoh Soon Kean.</p> <p>OSH management plan has been developed namely "Occupational Health & Safety Management Plan" DOC-P4C4/HSP dated 15/1/19.</p> <p>The communication has been done and records sighted as in 4.4.2.4</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	a) as sighted 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>OBS HIRARC has been done dated 8/1/19. The HIRARC covers all operation activities and non-operation activities. However, HIRARC was not done for commuting to/from work using motorcycle. During site visit to the estate area, observed several motorcyclist in the estate were not wearing appropriate helmet while riding. The management may consider to assess that area as it is part of the estate activities.</p>
	<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <p>i) all employees involved shall be adequately trained on safe working practices</p> <p>ii) all precautions attached to products shall be properly observed and applied</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Training programme for 2019 has been established. The programme includes:</p> <ol style="list-style-type: none"> 1. Safety Awareness Training - Apr 2019 2. Chemical Handling Training - Feb 2019 3. Spraying Training - Apr 19 4. SDS Training - Oct 19 <p>Actual conducted training records reviewed:</p> <ol style="list-style-type: none"> 1. Spraying Training - 17/4/19 2. Kesedaran Kimia - 14/2/19
	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>During site visit to the harvesting activity in the estate at field 02A, observed harvesters were wearing adequate PPE such as Hard Hat, Googles, and Wellington Boot.</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 established related to Chemical Handling:</p> <ol style="list-style-type: none"> 1. Herbicides Spraying/ P&D Spraying 2. Manuring 3. Trunk Injection 4. Receive and Store Chemicals 5. Receive and Store Fertiliser <p>The established SOPs were found to be adequate to meet the minimum requirement. During site visit to the chemical store observed that the SOP is being implemented accordingly</p>

<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>PIC has been appointed, Mr. Wan Asri Bin Wan Mohamed. He was appointed by the Estate Manager on 6/3/19. The appointment letter was evident.</p>
<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>OBS Safety meeting is being conducted on quarterly basis. The estate started practicing safety meeting since 12/12/18. The latest meeting conducted was on 20/6/19. The meeting was attended by the estate management and contractor's representative. The management may want to consider including contract workers in the meeting to get more inputs on safety issue being faced by the workers.</p>
<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>ERP has been established for Accident, Chemical Spillage, Emergency at Night.</p> <p>The ERP has been communicated to the workers during the Safety Awareness Training dated 23/4/19.</p> <p>OBS During site visit to the Chemical Store, observed ERP not being displayed at the area. The management could opt to display relevant ERPs at relevant area to enhance effectiveness of emergency response. Also observed emergency shower nearby to the chemical store was not strategically placed. The management may to make some adjustment to enhance better practicality of the shower placement</p>
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>During site visit to the harvesting activity in the estate at field 02A, interviewed one of the harvesters Muhamad Tohriadi, he mentioned that each harvester has been provided with First Aid Kit to be carried to the working site. He however admitted that the First Aid Kit was left at home. The management may want to do some monitoring to avoid from such negligence happening in the future.</p>
<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>No accident occurred in 2018 and 2019 as of the audit date. JKKP 8 for 2016 has been submitted on 25/2/19 with 0 accident.</p>

P4C5 Employment Conditions			
Indicator	Requirement	Compliance	Findings
I1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Established polices related to social: 1. Dasar Jantina dated 25/1/19 2. Dasar Sosial dated 25/1/19 3. Dasar Gangguan Seksual dated 25/1/19</p> <p>The policies were signed by the Director of the company.</p>
I2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Communication records as sighted in 4.4.2.4 From Dasar Sosial sighted above, the company emphasises "Merawat semua pekerja dengan adil.. tanpa mengira bangsa, usia, agama, kasta, jantina, orientasi seksual, fizikal, keahlian kesatuan, pandangan politik dan negara asal."</p>

I3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wages requirements.</p> <p>Local worker. Sample: Siti Nurzafikah Bt. Zainal Abidin Contract No: 40/2019 Month of: June</p> <p>Foreign Worker Sample: Ahir (AT 421842) Month of: June 2019</p> <p>Review the pay slip and attendance report (including Allowance) confirmed that their basic salary wages complied with minimum wages (RM 38.46/day) for daily rated and RM 1100/month for monthly rated workers.</p>
I4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Review the pay slip and attendance report (Allowance) confirmed that their basic salary wages complied with minimum wages (RM 38.46/day) for daily rated and RM 1100/month for monthly rated workers.</p>
I5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Cheroh Estate maintain an accurate record of all employees (local and foreign) under Employee Master Listing report. Total of workers:</p> <p>1) Local workers = 5 2) Foreign workers 32 (as at 20 Aug 2019) listed under estate's check roll. Records updated and verified during the audit were found contains the following details of information for every employees.</p> <p>Employee Name Activity Nationality Date of Birth Occupation Employment Date Sex</p> <p>OBS Siti Nurzafikah name was not included in the workers list. This will be verified in the next audit</p>
I6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Employment Contract for local and foreign workers are available. Information indicated in the form showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits. Copies of Employment Contract for each local and foreign workers indicated in the employment records are available. Foreign worker contract is valid for 3 year plus yearly contract extension for those who intent to continue working with the company.</p>
I7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Cheroh Estate has established a time recording system using sign in and out by file attendance for all employees.</p> <p>The working hours for all employees has been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer.</p> <p>Working Hours practice: 8.30 till 5.00</p>
I8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>The working hours and breaks of the individual worker indicated in the time records were in compliance with legal regulations and collective agreements. Based on check roll records, there is no overtime been paid to any workers.</p>

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	Observed that the wages as per documented on the pay slips are in line with legal requirement and as stated in the employment contract. But, Cheroh Estate was not practices any overtime for time being.
I10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	1. OT time 2. Allowance for petrol 3. Accomodation for workers 4. Medical for contract workers fully covered by contractor 5. Bonus for staff
I11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>OBS Labour quarters</p> <p>During site visit to the area, observed rubbish were scattered around the houses. The management may want to intensify monitoring of the housing area cleanliness e.g regular inspection.</p> <p>Fire extinguisher only one available in the area. The management may consider to increase the number of fire extinguisher.</p> <p>Also observed no prohibition of open burning signage erected in vicinity.</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>Dasar Gangguan Seksual as sighted in 4.4.5.1.</p> <p>The policy explains on type of sexual harassment and action that will be taken to offenders.</p>
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 type="checkbox"/> No <input type="checkbox"/> OFI	No union. However, in the "Dasar Sosial" the company stressed out their commitment in respecting freedom of association among the employee.
I14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.	<input type="checkbox"/> No <input type="checkbox"/> OFI	Noted youngest workers available in the estate were 20 y/o

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 type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Training Programme has been established for 2019. Among planned trainings throughout the year as below: 1. Manuring Training - Jan 19 2. Chemical Handling Training - Feb 19 3. Complaints and Grievance Training - May 19 4. Harvesting Training - Jul 19 5. SOP Training - Sep 19 6. SDS Training - Oct 19 Actual training records as sighted in P4 and P5 of this standard.
I2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	OBS Training needs of individual employees has yet to 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. According to the management, since the estate started implement MSPO quite later in 2019, they will only do the training needs analysis for the year 2020. This will be followed up in the next audit.
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	As 4.4.6.1

P5: Environment, natural resources, biodiversity and ecosystem services

P5C1 Environmental management plan			
Indicator	Requirement	Compliance	Findings
I1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Policy was made available during the audit namely "Dasar Alam Sekita dan Biodiversiti" dated 25 January 2019 signed by the Director. The communication done through several methods such as stakeholder meeting and training. Training was conducted on 23/4/19 for internal stakeholders (workers and contract workers) It was also communicated during stakeholder meeting held on 23/4/19 in the morning. The meeting was attended by Police Dept, Kg Melayu Cheroh Rep, Hock Joo Estate and Contractor Sighted Environmental Management Plan, DOC-P5C1/EMP "Environmental Management Plan" dated 1/1/19.
I2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Sighted Environmental Management Plan, DOC-P5C1/EMP "Environmental Management Plan" dated 1/1/19. The EMP meets the requirement of this indicator. a) Policy as mentioned above. b) Environment Aspect Impact Assessment has been established for Nursery, Replanting, Maintenance and Harvesting. OBS Environment Aspect Impact Assessment has been established for Nursery, Replanting, Maintenance and Harvesting. It was not done for Storage, Lineside and Workshop.
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	The plan was incorporated together with the EAIA sighted earlier.

I4	A programme to promote the positive impacts should be included in the continual improvement plan.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Continual Improvement Plan was sighted for 2019. Listed plans related to environmental as below :</p> <ol style="list-style-type: none"> 1. To repair contractor workshop to avoid direct oil spillage to the ground (cemented) 2. To repair lorry parking to avoid direct oil spillage to the ground (cemented)
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"> 1. MSPO Awareness Training - Apr 19 2. SW Handling - Mar 19 3. Environment Awareness Training - May & June 19 <p>Sampled conducted training as below :</p> <ol style="list-style-type: none"> 1. Pengendalian Pembuangan Sisa 27/3/19 2. MSPO Briefing 23/4/19 3. Cara Mengawal Pembakaran Terbuka 9/4/19 4. Environmental Awareness Training 29/4/19
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 20/6/19. Discussed matter:</p> <ol style="list-style-type: none"> 1. Cleanliness of Cheroh Estate surrounding 2. Incident related to environment 3. Complaint related to environment 4. Inputs from attendees 5. Encouragement to all employees to play role in improving environmental performance

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>NC 1 It was found that electricity usage and was being recorded through TNB bill and kept into "TNB" File. However, the record monitoring only done for estate office and executive bungalows. Addition to that baseline value and trend were not observed as required by the indicator of this standard.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	<p>NC 2 Estimation of electricity and diesel usage by contractors were not made available during the audit. Current practice, the management only records actual usage of electricity excluding workers housing.</p> <p>According to the requirement of this indicator, "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."</p>
I3	The use of renewable energy should be applied where possible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>No usage of renewable energy in the estate</p>

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 Pollution Prevention Plan. Identified waste such as by-product, SW, Scrap Irons, Old Tires, Domestic Waste and Recycle Waste. The identified sources such as Workshop, Store, Office and Linesite
I2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	a) As sighted in 4.5.3.1. Waste handling for each identified waste was documented into the Waste Management Action Plan b) Frond stacking for nutrient recycle, used water recycle for chemical mixing.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	Handling of Used Chemical Procedure PRO-P5C3/HUC dated 13/3/19. The SOP was made available and found to be adequate to meet the requirement of SW Reg 2005. NC 3 However, notification of 2nd Schedule of Scheduled Waste Regulation 2005 has yet to be done either through e-sw or manually despite having scheduled waste generated in the estate.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> OFI	NC 4 It was found that some empty pesticide containers were used for chemical mixing purpose and the excess containers were stored in designated store area. However, noted the stored excess containers were not rinsed and punctured accordingly.
I5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Domestic waste is being collected by Alam Flora. During site visit to Labour Quarters observed no burning of waste is being practiced.

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	Same as EAIA
I2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Same as EAIA. Pollution Prevention Plan was also established which include all operations of the estate. OBS During site visit to the workshop area in the estate premises which is being managed by contractor, observed several pollutions occurred in vicinity such as oil spillage not addressed, scattered rubbish, lubricant containers lying around, loads of cigarette butts and poor housekeeping. However, the management has included improvement measure plans in its Continual Improvement Plan which will be carried out in September 2019. This will be followed up in the next audit.

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 type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Water Management Plan DOC-P5C5/WMP dated 13/3/19.</p> <p>a) Water sourced from Jabatan Bekalan Air and rain water harvesting. However, the assessment of water usage was not conducted.</p> <p>b) Last water sampling sent to Tian Siang Mill for lab testing for Sg Cheroh was on 24/6/19 but the mill is yet to returned with the result. It was sent for 2 points to monitor incoming and outgoing water. Samples were taken from Field 02 and Field 96A.</p> <p>c) Used water from chemical mixing activity is being recycled for future chemical mixing activity. Rain water harvesting done infield. The collected rain water is being used for watering palm.</p> <p>d) Noted there was a river flowing across the estate namely Sg Cheroh. Buffer zone has been established with undisturbed vegetation. Visited buffer zone located at Field 02. Prohibition of chemical activities signage has been erected and noted no chemical trace in the area.</p> <p>e) Same as d)</p> <p>f) NA</p> <p>OBS 1. Water sourced from Jabatan Bekalan Air and rain water harvesting. However, the assessment of water usage was only done for office and executive bungalows but not for workers housing. 2. Last water sampling sent to Tian Siang Mill for lab testing for Sg Cheroh was on 24/6/19 but the</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>HCV assessment had been done concurrently with SIA as mentioned in 4.4.1.1</p> <p>a) According to the assessment report done by WildAsia, noted that the estate is located close to Bukit Kajang Forest Reserve. 4 animal species were identified in the estate with 1 EN and 3 NT IUCN classification namely Tiger (EN), Dusky Leaf Monkey (NT), Black Hornbill (NT) and Blue Rumped Parrot (NT).</p> <p>b) refer a)</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>HCV Management Action Plan has been developed in 2015. Also sighted Biodiversity and Ecosystem Management Plan DOC-P5C6/BEP dated 13/3/19. 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. Training was given to the workers as sighted in criteria 1 of this principle.</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	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No evidence of open burning practice for waste disposal.
I2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA
I4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	NA

P6: Best Practices

P6C1 Site management			
Indicator	Requirement	Compliance	Findings
I1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	There is SOP for all activities related to estate operation was available as : 1) Mixing of Pesticides 2) Spraying 3) Fertilizer Applications 4) Pest & Diseases 5) Harvesting and Frond Pruning
I2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted. During sites visit to block 2017, there is hilly area was planted. The SOP for hilly area also established as per documented in S.O.P page No.22 indicator 1.17.
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	Cheroh 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 signboard.

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	Cheroh Estate had established budget from year 2019 till 2025. Its forecast for 7 years. Budget including weeding, manuring, Labour, Safety, Environmental and etc. As per documented.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There is plan for replanting by the year 2020 for the field 1993. Area 39.00 Ha. Cheroh Estate also had established plan for replanting till year 2025 as per documented.
I3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) Financial indicators : cost benefit, discounted cash flow, return on investment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	All relevant information contained in the annual budget plan for 2019 till 2025 as per documented: a) 7 years forecast/projection b) Summary of estimates 2019 (Yield/Ha) c) Analysis of Expenditure Indirect Costs (Benefits,cash flow) d) Analysis of Oil Palm Revenue Expenditure(Cost/Ton)
I4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The budget plan was reviewed annually with both actual and forecasted amount for 7 years (up to 2025) and well documented upon request.

P6C3 Transparent and fair price dealing			
Indicator	Requirement	Compliance	Findings
I1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Pricing mechanism for services (FFB transport contractor) are documented in the contract. Refer to 2 sample contracts: i) FFB transport (Contractor: Min Onn Lorry Transport Sdn Bhd on the date of 21 Nov 2018 till 30th Nov 2021 for 3 years agreement signed by Estate Manager Tn. Hj. Othman Bin Ismail and contractor Min Onn Lorry Transport by Mr. Chang Tong Chuan. Rate/pricing mechanism is explicitly written in the contract and the agreement and acknowledgement is evident.
I2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	According to the agreement made, the payment to contractors shall be made 14 days after the invoice date that submitted to the company by 1st week of the month.

P6C4 Contractor			
Indicator	Requirement	Compliance	Findings
I1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Cheroh Estate had informed its contractors regarding the need to follow the MSPO requirements. A formal letter and brief terms has been sent to the contractors. The letters were sent on 05/Mar/2019 to all contractors and the reply from the contractors to agree to and understand the legal obligations requirements by MSPO are being met are kept. Dissemination of MSPO requirement was written in the contract under prior to contract signing. Other method of communication such as stakeholder meeting and training was also being implemented. A training session for contractors was last carried out on 23/Apr/2019.
I2	The management shall provide evidence of agreed contracts with the contractor.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Main contract and formal letter issued by the Estate Manager served as the "revision" to the available contract agreement with the contractors to agree on the obligations of MSPO requirements. Contractor:</p> <p>1) FFB transport (Contractor: Min Onn Lorry Transport Sdn Bhd on the date of 21 Nov 2018 till 30th Nov 2021 for 3 years agreement signed by Estate Manager Tn. Hj. Othman Bin Ismail and contractor Min Onn Lorry Transport by Mr. Chang Tong Chuan.</p> <p>2) Harvesting FFB (Contractor: Mr. Tan Min Keong on date 07 Jan 2019 till 31 Dec 2021 for 3 years agreement signed by Estate Manager Tn. Hj. Othman Bin Ismail and contractor Mr. Tan Min Keong.)</p>
I3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The requirement of accepting MSPO accredited auditors to audit against the contractors are being stated in the formal letter attachment to the contractors agreement.
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	Cheroh Estate incharge for contract workers and daily work programme is En. Wan as a Field Supervisor and En. Rosman as a Assistant Manager. All the programme and work was recorded such as Crop Book and Upkeep Filing on daily basis. As per documented, all the document was monitored and signed daily base on Hectarage.

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 is not applicable. The estate is not having new planting activity
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	

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	

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	
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	
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	
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	

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	
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	

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	
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	
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	

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	
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	
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	
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	
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	
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	
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	
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	

Section I Appendix

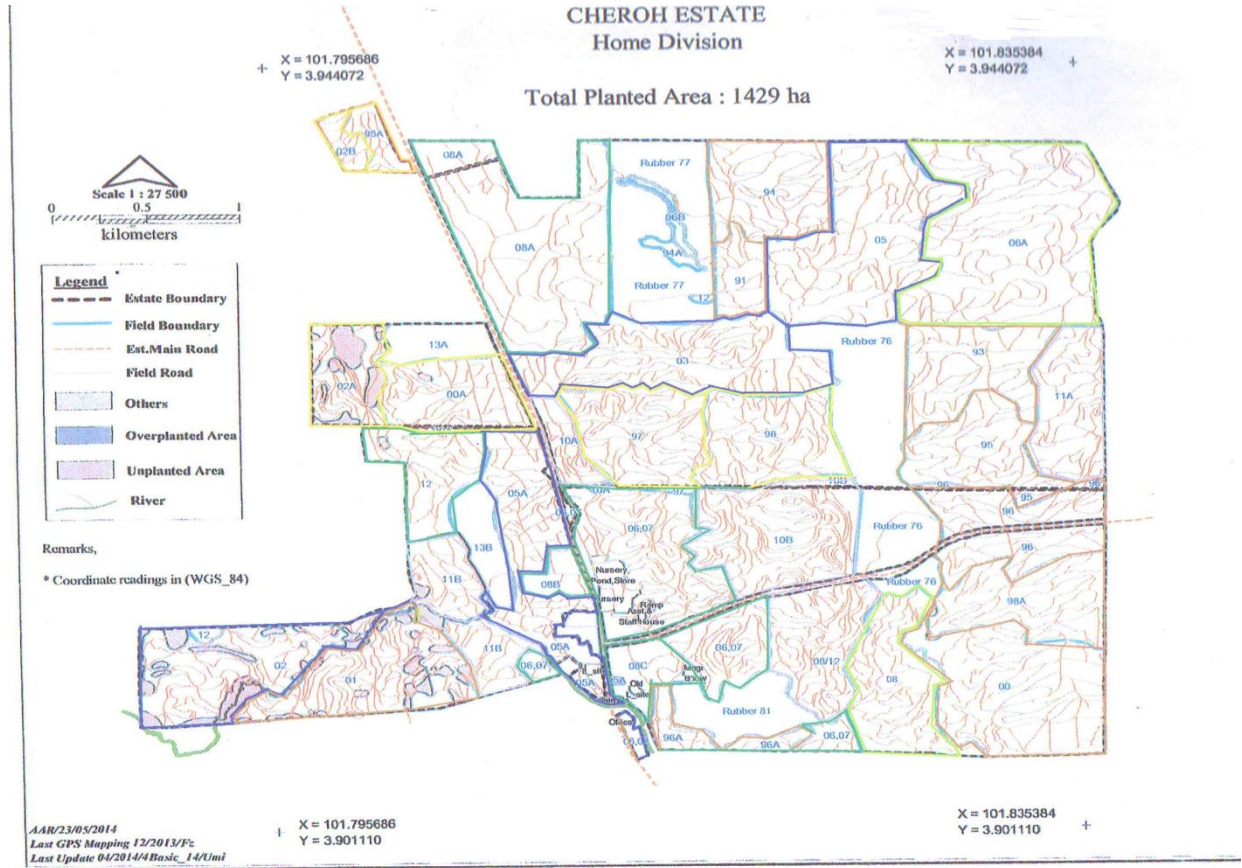


Figure 1: Cheroh Estate Layout