



MSPO CERTIFICATION SUMMARY REPORT

HAP SENG PLANTATIONS (KOTA MARUDU)

SDN BHD – PELIPIKAN ESTATE

SURVEILLANCE ASA 04

Remote Audit Date: 27/05/2021 – 28/05/2021

TUV NORD (Malaysia) Sdn Bhd
No. 9F-1A, 9th Floor, Tower 2 @ PFCC
Jalan Puteri ½, Bandar Puteri Puchong
47100 Puchong, Selangor.
Phone: +603 8600 4031/4032
Fax: +603 8600 4550

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Table of Contents

1.	INTRODUCTION	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and qualification of team members	4
2.	METHODOLOGY.....	8
3.	ORGANISATION INFORMATION	10
3.1.	Production volume	10
3.2.	Planting Program for Each Estate	10
3.3.	Replanting program for each estate	10
3.4.	Maps of Estate Location	11
4.	CERTIFICATION ASSESSMENT	14
4.1.	Surveillance 03 Audit	14
4.2.	Stakeholders' Consultation	14
4.3.	Summary of Assessment	15
4.4.	Status of Non-Conformities Previously Identified	42
4.5.	Detail of Audit Findings in last audit	42
4.6.	Detail of Remote Audit Findings Identified during this audit	44
5.	CONCLUSION	45
6.	RECOMMENDATION	46
7.	LIST OF STAKEHOLDERS	47
	Annex / Enclosures	48

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GAP	Good Agricultural Practice
GPS	Global Positioning System
ISCC	International Sustainability & Carbon Certification
ISO	International Standard Organisation
MSPO	Malaysia Sustainable Palm Oil
NC	Non Conformity
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable Sustainable Palm Oil
RTE	Rare, Threatened and Endangered Species
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
WHO	World Health Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
SDS	Safety Data Sheet

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



1. INTRODUCTION

Hap Seng Plantation (Kota Marudu) Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its Pelipikan estate according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this surveillance audit is to assess the estate by an independent certification body with the aim for compliance of the standard.

1.2. Scope

The assessment is based on the documentation established by the Pelipikan estate.

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria based on MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

TUV NORD Malaysia has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Malaysian Sustainable Palm Oil Part 3: General Principles for Oil Palm Plantations and Organised Smallholders audit guidance;
2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and qualification of team members

The audit team appointed consists of one team leader and 1 team member. The audit team members contributed to the review of documents, the assessment of the project activity and preparation of the report.

Qualification of the Lead Auditor: Khairul Anwar Bin Ismail

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology;	Graduate in Agricultural Science

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Requirement	Qualifications
vi) Business Management; or vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	5 years working experience in oil palm plantations
Successfully completed MPOCC endorsed lead auditor trainings	Successfully completed MS 2530 series standards for Lead Auditors.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as Lead auditor for MSPO scheme.
Field working experience in the palm oil sector or demonstrable equivalent	5 years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	5 years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001 Lead Auditor course.
Health and safety auditing on the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 45001 Lead Auditor course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 14001 Lead Auditor course.
Attended High Conversation Value Assessment training	Completed HCV-HCS for producers course.

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Requirement	Qualifications
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.

Qualification of Team Member(s)

Requirement	Name of Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Mohd Nur Amin Bin Mohd Halim	Graduate in Office Management & Technology	Yes
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Mohd Nur Amin Bin Mohd Halim	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.	Yes
Successfully completed MPOCC endorsed lead auditor trainings	Mohd Nur Amin Bin Mohd Halim	Successfully completed MS2530 series of standards for Lead Auditors	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Mohd Nur Amin Bin Mohd Halim	Qualified as Auditor for MSPO scheme	Yes
Field working experience in the palm oil sector or demonstrable equivalent	Mohd Nur Amin Bin Mohd Halim	6 years 10 months of working experience in both upstream &	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Requirement	Name of Assessor	Qualification	Compliance
		downstream division on managing sustainability of oil palm industry.	
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Mohd Nur Amin Bin Mohd Halim	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Health and safety auditing of the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Mohd Nur Amin Bin Mohd Halim	Successfully completed SA 8000 Basic training and Auditor for MSPO scheme.	Yes
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Completed High Conversation Value assessment	Mohd Nur Amin Bin Mohd Halim	Completed HCV-HCS for producers course.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Mohd Nur Amin Bin Mohd Halim	Able to communicate in Bahasa Malaysia and English.	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



2. METHODOLOGY

The audit approach consists of the following steps:

- Appointment of team members;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- Assessment, inspections, interviews operational personnel, workers, stakeholders contractors; review of documentation;
- Reporting
- Resolution of non-conformance (NC)
- Draft audit reporting
- Technical review
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

Surveillance Audit:

Surveillance audit conducted remotely on 27/05/2021 – 28/05/2021 covering the following activities but not limited to below:

Confirmation of the appropriate interactive communication tools as describe in IAF MD4

- Virtual review of documentation established but not limited to below
 - Policies
 - Estate(s) map(s)
 - Land title(s)
 - Standard Operating Procedures
 - Work Flow Charts
 - Management Plans
 - Operating licenses and approvals
 - Operating records
 - Training records
 - Applicable Legislation Documents
- Virtual inspection of estate(s) facilities and field activities;
- Virtual interview operation personnel and field workers for understanding of work assigned;

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



- Virtual interview operation personnel and field workers for understanding of work assigned via phone calls;
- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during in last audit

Remote Assessment

The audit of the estate is conducted according to the MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The methodology for collection of objective evidence by means of virtual site inspections, observation of tasks and processes, interview workers and operation personnel, review of documentation and data. Checklists and questionnaires were used to guide the collection of information.

This remote audit is conducted in accordance to MPOCC Updated Circular (22 March 2021) Guidance on Remote Audits due to COVID-19 Pandemic on travelling restrictions.

The remote audit follow the IAF MD4:2018 and as guided by the ISO 9001 Auditing Practices Group Guidance on Remote Audits

The communication tool applied for remote audit is Microsoft Teams, WhatsApp and Telephone.

For the remote surveillance audit, the selected estate based on the formula $S = 1/\sqrt{n}$ where S = sample size and n = number of estates with a risk factor of 1 for regular risk which is in accordance to MSPO certification procedure.

For the surveillance audit Pelipikan Estate has 1 estate. Therefore, no selection required.

Table 2-1: Estate Selected

Name of Estate	Coordinates
Pelipikan estate	6°21'37.600"N, 116°48'04.900"E

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



3. ORGANISATION INFORMATION

Hap Seng Plantations (Kota Marudu) Sdn Bhd – Pelipikan estate is located at Jalan Marak Parak, Simpang Kampung Sunsui, Kota Marudu, Sabah.

The details of the estate as below:

Name of Estate	Location	Coordinates
Pelipikan estate	Jalan Marak Parak, Simpang Kampung Sunsui, Kota Marudu, Sabah	6°21'37.600"N, 116°48'04.900"E

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (May 2021 to Dec 2021)
	Total*	Production**	
Pelipikan estate	2,086.29	1,488.40	16,588.21
Total	2,086.29	1,488.40	16,588.21

*includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

**Immature + Mature Area

3.2. Planting Program for Each Estate

Year / Estate	Pelipikan Estate
1999	101.80
2000	314.10
2001	91.80
2003	56.20
2005	180.00
2006	50.00
2010	430.00
2011	264.50
Total Mature	1,488.40
Total Immature	-
Total	1,488.40

3.3. Replanting program for each estate

Year of replanting	Planted area (ha)							Total area to be replanted (ha)
	2024	2026	2027	2028	2029	2031	2032	
	101.80	124.10	190.00	91.80	56.20	208.50	50.00	822.40

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

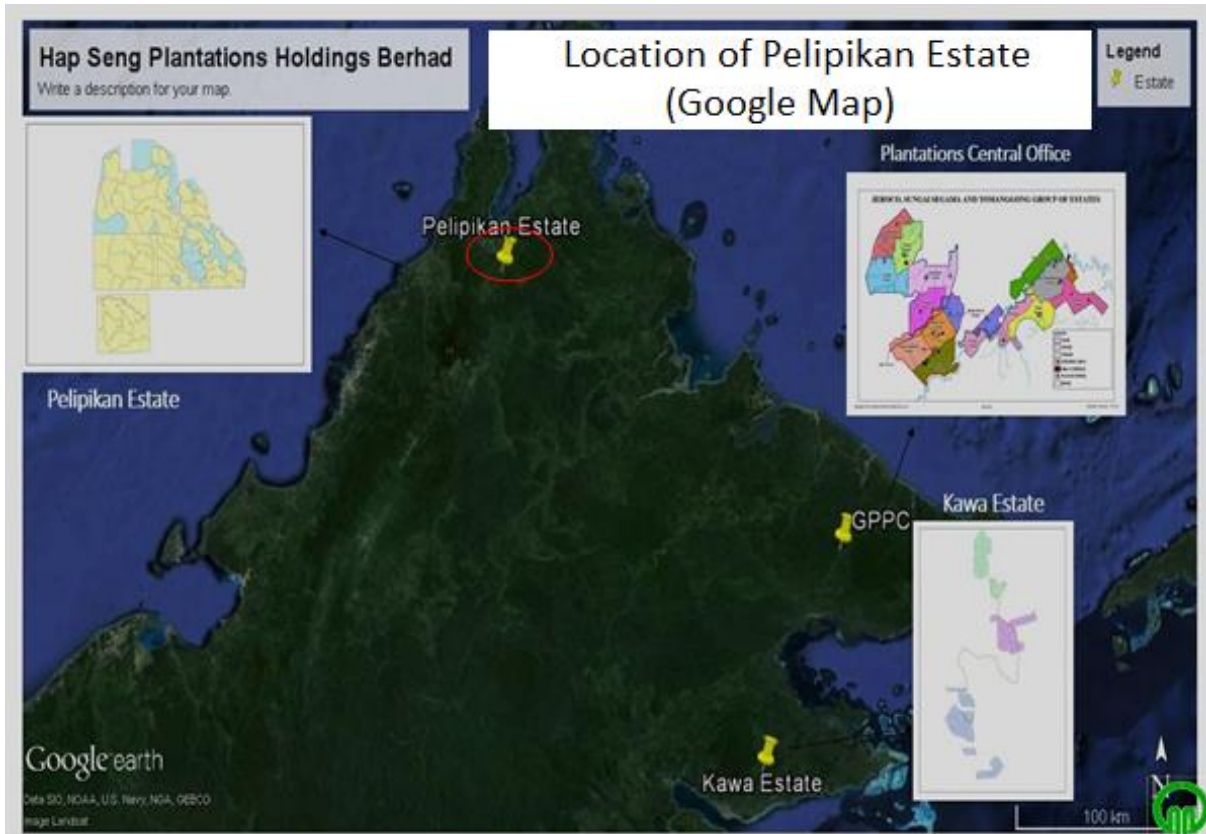
Audit Type: ASA 04

Mode of Audit: Remote



TOTAL	101.80	124.10	190.00	91.80	56.20	20.8.50	50.00	822.40
-------	--------	--------	--------	-------	-------	---------	-------	--------

3.4. Maps of Estate Location



MSPO Certification Summary Report

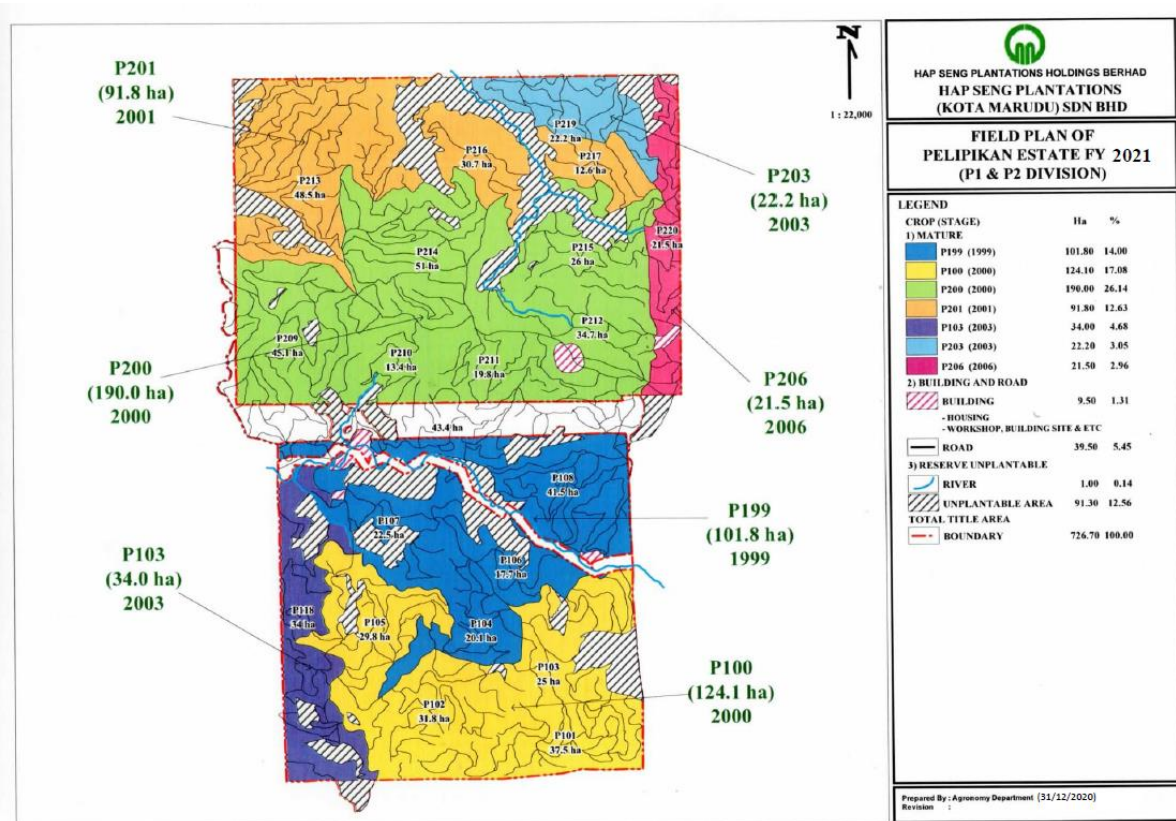
Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



MSPO Certification Summary Report

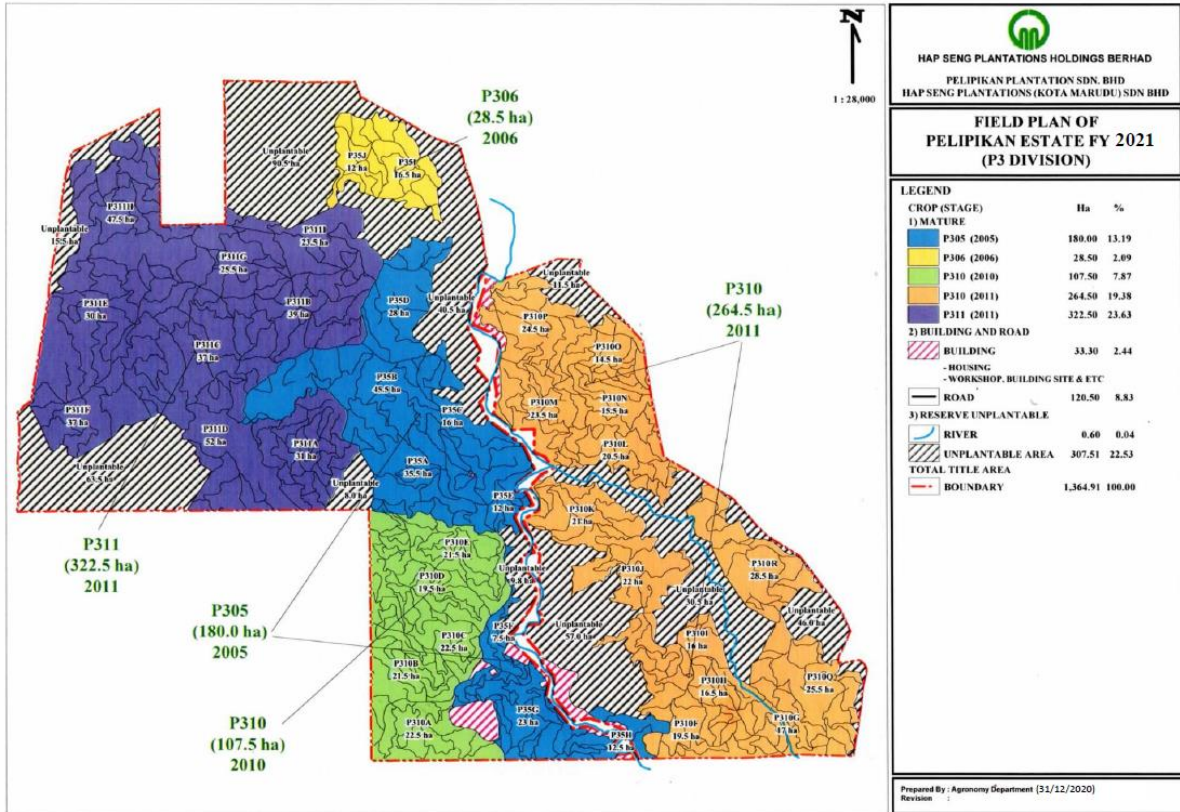
Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



4. CERTIFICATION ASSESSMENT

4.1. Surveillance 04 Audit

The objective of the audit is to assess the activities of the estate is in compliance with MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

4.1.1. Surveillance 04:

The surveillance audit is conducted on 27/05/2021 to 28/05/2021 covering 1 estate – Pelipikan estate

During the last surveillance audit, there are 0 Major, 1 Minor, 2 Opportunities for Improvement (OFI) are raised.

During this audit, the major and minor non-compliance raised in the last audit, the audit team has review by means of inspection of estate, conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the estate management. The corrective measures implemented could be verified as appropriate.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The audit findings if any, raised in this audit refer to Section 4.6 of this report.

4.2. Stakeholders' Consultation

According to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

Therefore, there is no physical stakeholders consultation conducted for this surveillance audit.

TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 26/04/2021 to announce the audit of the certified unit. As at audit date on 27/05/2021 there are no comments received.

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below in section 4.6

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Pelipikan estate adopted Hap Seng Plantations Holdings Berhad MSPO policy dated 01/10/2019 approved by Chief Executive – Group Plantation.</p> <p>The policy stated "HSPHB shall adhere to the following key principle of MSPO:"</p> <ol style="list-style-type: none"> 1. Management Commitment and Responsibility 2. Transparency 3. Compliance to legal requirement 4. Social Responsibility, Health, Safety and Employment condition 5. Environment, Natural Resources, Biodiversity and Ecosystem Services 6. Best Practices 7. Development of New Planting <p>The policy is in both English and Bahasa Malaysia.</p> <p>Phone call interview with workers informed, they are briefed of MSPO policy dated 26/01/2021.</p>	Yes
4.1.1.2	<p>Pelipikan estate adopted Hap Seng Plantations Holdings Berhad MSPO policy dated 01/10/2019 includes a statement on commitment to continuous improvement.</p> <p>"HSPHB is committed for continual improvement practice by harnessing its resources of people, process and technology in order to ensure the continuous production of oil palm products in a sustainable manner."</p>	Yes
4.1.2.1	<p>Pelipikan estate establish Flowchart for Internal Audit system dated 01/03/2019. The frequency for internal audits is a yearly basis.</p> <p>The latest internal audit was conducted from 22/12/2020 - 23/12/2020.</p> <p>Remote document review, the internal audit form includes a section to check for positive observation (strong point) and potential area for improvement (weak point).</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 1: Management Commitment & responsibility														
Indicator	Summary of Assessment	Compliance												
4.1.2.2	<p>Pelipikan estate internal audit procedure dated 20/08/2015 is established. Internal audit is conducted from 22/12/2020 - 23/12/2020 identified the major and minor non-conformities.</p> <p>All findings have determined the root cause, corrections and corrective actions.</p> <p>For example;</p> <table border="1"> <tr> <td>Indicator</td> <td>4.4.4 (Major)</td> </tr> <tr> <td>Findings</td> <td>Sighted the fire extinguisher expired on 24/10/2020</td> </tr> <tr> <td>Root Cause</td> <td>Due to missed out during updating of fire extinguisher for Pelipikan estate</td> </tr> <tr> <td>Correction</td> <td>To renew the fire extinguisher for Pelipikan estate</td> </tr> <tr> <td>Corrective action plan</td> <td>To update at yearly basis the fire extinguisher at Pelipikan estate</td> </tr> <tr> <td>Status</td> <td>Completed</td> </tr> </table> <p>Remote photos review, the fire extinguisher with expired license had been updated.</p>	Indicator	4.4.4 (Major)	Findings	Sighted the fire extinguisher expired on 24/10/2020	Root Cause	Due to missed out during updating of fire extinguisher for Pelipikan estate	Correction	To renew the fire extinguisher for Pelipikan estate	Corrective action plan	To update at yearly basis the fire extinguisher at Pelipikan estate	Status	Completed	Yes
Indicator	4.4.4 (Major)													
Findings	Sighted the fire extinguisher expired on 24/10/2020													
Root Cause	Due to missed out during updating of fire extinguisher for Pelipikan estate													
Correction	To renew the fire extinguisher for Pelipikan estate													
Corrective action plan	To update at yearly basis the fire extinguisher at Pelipikan estate													
Status	Completed													
4.1.2.3	<p>Internal audit results are presented in the management review meeting conducted on 24/12/2020.</p> <p>The outcome of the internal audit and status of the action plan included in the management review.</p>	Yes												
4.1.3.1	<p>Pelipikan estate Management review conducted on 24/12/2020.</p> <p>Remotely review the agenda of the meeting:</p> <ol style="list-style-type: none"> i. Follow -up actions from earlier management review ii. Sustainability and adequacy of All SOP's iii. Sustainable Agriculture policy iv. Result of Internal & External Audit v. Change in legal requirement of any compliance vi. Complaints (Internal & External) vii. Accidents & Injury (LTA) viii. Environmental Quality ix. Waste management x. Energy usage performances xi. Status of corrective actions xii. Recommendation for improvement 	Yes												

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 1: Management Commitment & responsibility																												
Indicator	Summary of Assessment	Compliance																										
4.1.4.1	<p>Pelipikan estate Continuous Improvement Plan established dated 26/05/2021.</p> <p>The continual improvement plan covered both social and environmental impacts.</p> <p>Social Impact;</p> <table border="1"> <tr> <td>Issue</td> <td>COVID-19</td> </tr> <tr> <td>Improvement Action</td> <td>COVID-19 Preparedness Guideline is established and awareness regarding the COVID-19 Vaccination.</td> </tr> <tr> <td>Expected outcomes</td> <td>Update registration on the COVID-19 Vaccination for all workers at Pelipikan estate</td> </tr> <tr> <td>Time Frame</td> <td>Ongoing</td> </tr> <tr> <td>Review and monitor</td> <td>Estate management provide the list of workers to confirm the COVID-19 Vaccination from KKM.</td> </tr> <tr> <td>Responsibility</td> <td>Estate Manager</td> </tr> <tr> <td>Status Of Review</td> <td>Document verification was done during MSPO internal Audit.</td> </tr> </table> <p>Remotely review the list of workers submitted to KKM for COVID-19 vaccination dated 18/03/2021.</p> <p>Environment Impact;</p> <table border="1"> <tr> <td>Issue</td> <td>Domestic Wastes</td> </tr> <tr> <td>Improvement Action</td> <td>Continuously educating the employees on the need to reduce and stop open burning and ensure domestic rubbish is segregated and correctly placed in landfill sites.</td> </tr> <tr> <td>Expected outcomes</td> <td>Zero Burning at landfills, recyclable items to be segregated</td> </tr> <tr> <td>Time Frame</td> <td>Quarterly Monitoring by estate</td> </tr> <tr> <td>Responsibility</td> <td>Estate Manager</td> </tr> <tr> <td>Review and monitor</td> <td>Physical verification was done by Sustainability Team during annual internal audit.</td> </tr> </table> <p>Remotely review the daily domestic waste record dated 21/05/2021.</p> <p>Remote photos review, no sign of burning activity identified at landfill. Phone call interview with worker informed, 1st quarterly briefing on 3R awareness had been conducted dated 16/03/2021.</p>	Issue	COVID-19	Improvement Action	COVID-19 Preparedness Guideline is established and awareness regarding the COVID-19 Vaccination.	Expected outcomes	Update registration on the COVID-19 Vaccination for all workers at Pelipikan estate	Time Frame	Ongoing	Review and monitor	Estate management provide the list of workers to confirm the COVID-19 Vaccination from KKM.	Responsibility	Estate Manager	Status Of Review	Document verification was done during MSPO internal Audit.	Issue	Domestic Wastes	Improvement Action	Continuously educating the employees on the need to reduce and stop open burning and ensure domestic rubbish is segregated and correctly placed in landfill sites.	Expected outcomes	Zero Burning at landfills, recyclable items to be segregated	Time Frame	Quarterly Monitoring by estate	Responsibility	Estate Manager	Review and monitor	Physical verification was done by Sustainability Team during annual internal audit.	Yes
Issue	COVID-19																											
Improvement Action	COVID-19 Preparedness Guideline is established and awareness regarding the COVID-19 Vaccination.																											
Expected outcomes	Update registration on the COVID-19 Vaccination for all workers at Pelipikan estate																											
Time Frame	Ongoing																											
Review and monitor	Estate management provide the list of workers to confirm the COVID-19 Vaccination from KKM.																											
Responsibility	Estate Manager																											
Status Of Review	Document verification was done during MSPO internal Audit.																											
Issue	Domestic Wastes																											
Improvement Action	Continuously educating the employees on the need to reduce and stop open burning and ensure domestic rubbish is segregated and correctly placed in landfill sites.																											
Expected outcomes	Zero Burning at landfills, recyclable items to be segregated																											
Time Frame	Quarterly Monitoring by estate																											
Responsibility	Estate Manager																											
Review and monitor	Physical verification was done by Sustainability Team during annual internal audit.																											
4.1.4.2	<p>Pelipikan estate established a flowchart to improve practices in line with new information and techniques or new industry standards and technology.</p>	Yes																										

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>The flowchart for evaluating new product for agrochemical” dated May 2018 is established to determine the suitability of new agrochemicals.</p> <p>The flow chart as below;</p> <p>New Product Introduced to Estate -> Product sent to Agronomy Department -> Evaluation: Safety towards human and environment -> evaluation: Efficacy of product -> Evaluation: Suitability in relation to climate, logistic & practicality -> Availability of product on commercial scale -> (if successful) -> Recommend to plantation management committee -> Adopt in OPAP.</p> <p>Pelipikan estate established the COVID-19 procedure dated 16/03/2020 which in line with Ministry of Health recommendation.</p>	
4.1.4.3	<p>There is no new techniques or new technology implemented at Pelipikan Estate during the certification period.</p> <p>Phone call interview with management, informed the current practices continue and remain unchanged.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>Pelipikan estate conducted external stakeholders consultation meeting dated 22/04/2021.</p> <p>Remote review on meeting minutes include topics are:</p> <ol style="list-style-type: none"> 1. Introduction of HSPHB and company’s MSPO status 2. Brief introduction about the Joint Consultation Committee (JCC) and HSPHB Company policy 3. Question and answer session with HPHB representatives <p>External stakeholders consultation meeting attend by participants from government agencies, neighbouring estates, suppliers, local villages and internal stakeholders.</p> <p>Remote review the external stakeholders request and response record, no request lodged by stakeholders.</p> <p>The MSPO policy, complaint and grievance, sustainability report and workers welfare are made available at HSPSB website (www.hapseng.com.my).</p>	Yes
4.2.1.2	<p>Pelipikan estate established List of publicly available document ref: MSPO/P2/4.2.1.dated 01/01/2020.</p> <p>Documents stated in the list are:</p> <ol style="list-style-type: none"> 1. Code of conduct policy 2. Grievance book 3. Human right policy 	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>4. MSPO policy</p> <p>5. Land title</p> <p>6. Sustainability agriculture policy</p> <p>7. Environmental Impact Assessment (EIA)</p> <p>8. RSPO/MSPO/ISCC/Relevant to sustainability scheme of Public Summary Report</p> <p>Remote review list of publicly available documents include the COVID-19 policy and SOP under safety and health document. The list being brief to external stakeholders dated 22/04/2021.</p> <p>Remote review confidential document are not listed as public available document such as Financial budget and business plan.</p>	
4.2.2.1	<p>Pelipikan estate establish SOP "Procedure Applying for Company Information" ref: MSPO/P2/4.2.1 dated 01/01/2020.</p> <p>The SOP states that any request of information that falls under manager authority, the manager is allowed to provide the information requested.</p> <p>Remote review stakeholders minutes of meeting, briefing on the procedure conduct to external stakeholder dated 22/04/2021.</p>	Yes
4.2.2.2	<p>Pelipikan estate appoint Senior Manager as management representatives responsible for issues related to communication and consultation.</p> <p>Remote review the aappointment letter dated 15/02/2021 signed by Chief Executive – Group Plantations.</p>	Yes
4.2.2.3	<p>Pelipikan estate establish list of stakeholders 2021 updated 26/01/2021.</p> <p>The list includes various group such as;</p> <ol style="list-style-type: none"> 1. Government agencies 2. Neighbouring estates 3. Suppliers 4. Contractors 5. Environmental NGO <p>Remote review of stakeholder's consultation are conducted into two sessions as follow:</p> <ol style="list-style-type: none"> 1. Joint Consultation Committee (JCC) for internal & external stakeholders dated 22/04/2021 2. SIA included as part of the consultation date 09/04/2017 <p>Remote review the stakeholders request and response record, no request lodged by stakeholders.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.3.1	<p>Pelipikan estate established SOP Traceability Title: Delivery and Reception of CSFFB, In House and In House and Non In House FFB” no: SOP/COC/002 dated 28/02/2021.</p> <p>A flowchart included in the procedure:</p> <p>5.1 Upon the completion of harvesting at the estate, the FFB / CSFFB shall be collected & sent to designated palm oil mill by lorry or truck.</p> <p>5.2 The lorry/truck’s driver shall bring the FFB / CSFFB Delivery Note to the mill gate for security checking.</p> <p>5.3 The FFB/CSFFB Delivery Note shall be filled in properly before the delivery.</p> <p>Remote review delivery note, with information such as oil mill name, vehicle no, block no and net weight of FFB.</p>	Yes
4.2.3.2	<p>Pelipikan estate conduct Internal audit on 22/12/202 - 23/12/2020 includes inspection of the traceability system by checking the weighbridge ticket randomly.</p> <p>Example;</p> <p>Remote review the traceability inspection conducted on weighbridge ticket dated 24/11/2020 for FFB. Crosscheck between weighbridge ticket and delivery note, all information are traceable with delivery note number as unique number.</p>	Yes
4.2.3.3	<p>Pelipikan estate appoint senior manager as the responsible person for traceability.</p> <p>Remote review the appointment letter dated 15/02/2021 signed by Chief Executive – Group Plantations.</p>	Yes
4.2.3.4	<p>Pelipikan estate established records of delivery and assess to ensure the traceability system is implemented.</p> <p>Remote review of delivery note to mill weighbridge tickets confirmed the records are well maintained. Unique number is delivery note number.</p> <p>Pelipikan estate maintain information and kept for minimum of five (5) years.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>Pelipikan estate established list of license updated 30/01/2021 and follow up on updates on the validity of each license.</p> <p>Remote review of example of updated licenses:</p> <ol style="list-style-type: none"> MPOB license valid from 31/03/2021 – 30/04/2022. Trading License valid until 31/12/2021. 	Yes
4.3.1.2	<p>Pelipikan estate established “Legal Register – Estate” dated 30/04/2020.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<p>Remote review legal register, the applicable requirement to estate as follow:</p> <ol style="list-style-type: none"> 1. Employee Provident Fund Act 1991 2. Environmental Quality Act 1974 3. Immigration Act 1959/1963 4. Occupational Safety and Health Act 1994 (Act 514). 5. Prevention and Control of Infectious Disease Act 1988 (Declaration of infection Local Areas Order 2020). 	
4.3.1.3	<p>Pelipikan estate established legal register 2021 with updated on 30/01/2021.</p> <p>Example: Prevention and Control Infectious Disease Act 1988 (Declaration of infection Local Areas Order 2020)</p>	Yes
4.3.1.4	<p>Pelipikan estate Senior Manager is the appointed person in charge of compliance and legal requirement.</p> <p>Remote review appointment letter dated 15/02/2021 signed by Chief Executive – Group Plantations.</p>	Yes
4.3.2.1	<p>Pelipikan estate land titles are country lease issued by Sabah Land Authority.</p> <p>Pelipikan estate, division P3 sub-leased Native Titles from native landowners with an agreement signed for 30 years.</p> <p>Land usage: Cultivation of agricultural crops of economic value.</p>	Yes
4.3.2.2	<p>Pelipikan estate country leased issued by Sabah Land Authority.</p> <p>Pelipikan estate, division P3 sub-leased from native landowners with an agreement signed on year 2009 for 30 years. The sub-leased land titles are approved by Sabah Land Authority.</p>	Yes
4.3.2.3	<p>Each land title has a map with the title number and size in acre.</p> <p>The boundary stone numbers are stated in the land titles.</p> <p>Remote review and remote photo of boundary markers as stated at the estate maps and are matching. Boundary stone and boundary marker available at block 8 near Hutan Simpan Lingkabau.</p>	Yes
4.3.2.4	<p>There are land disputes for the sub-leased of natives land at P3 division, Pelipikan estate and has being resolved in 2015.</p>	Yes
4.3.3.1	<p>Pelipikan estate land titles thus not customary land other than sub-leased natives titles.</p>	Yes
4.3.3.2	<p>No map available other than sub-leased natives land titles.</p>	Yes
4.3.3.3	<p>Pelipikan estate sub-leased natives land titles dispute has being resolved in 2015 through proper legal method.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>Pelipikan estate conduct Social Impact Assessment with updated on 26/05/2021.</p> <p>Latest stakeholders consultation conducted on 22/04/2021 include villagers, school, government agency, supplier, mill buyer and internal workers.</p> <p>Example;</p> <p>Social impact: Satisfied with support and help from the company during lockdown.</p> <p>Action plan: To continue update any new requirement that was imposed by government regarding to COVID-19.</p> <p>Promote positive: To continue providing good cooperation with workers</p> <p>Remote review, Pelipikan estate adopted and implemented the HSPHB Coronavirus disease 2019 (COVID-19) pandemic emergency preparedness and response guidelines for plantation (Estate and Mill Operations) April'20.</p> <p>Phone call interview with workers informed, they were briefed on COVID-19 SOP date 17/03/2021.</p>	Yes
4.4.2.1	<p>Pelipikan estate established SOP Reporting Complaints and Problems of External and Internal Stakeholders (Complaint Flow Chart)", Ref number HSPSB P1 1120, revision dated 31/03/2018.</p> <p>The SOP describes:</p> <ol style="list-style-type: none"> 1. The complaint should be resolved within timeline of 30 days –from the date the complaint is accepted. 2. If the Pelipikan Estate management cannot resolved it will forward to Management committee for support. <p>Remote review the SOP Reporting Complaints and Problems of External and Internal Stakeholders (Complaint Flow Chart)" is applicable for issues related to COVID-19 above SOP.</p>	Yes
4.4.2.2	<p>Pelipikan estate established complaint form for external and internal stakeholders.</p> <p>The complaint should be resolved within a timeline of 30 days after submitting the complaint.</p> <p>Remote review of complaint form with no complaint record as at audit date.</p>	Yes
4.4.2.3	<p>Remote photo review of complaint form available at the main gate and office.</p> <p>Phone call interviews with workers informed that the awareness of complaints and grievances briefing conducted on 17/03/2021.</p>	Yes
4.4.2.4	<p>Pelipikan estate conducted briefing to make a complaint & request information dated 28/01/2021.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Remote review of briefing record, the topic consist of procedure for filling grievance form, person in charge and response time.	
4.4.2.5	Remote review of Pelipikan estate grievance and complaint records are maintained for the year 2017, 2018 and 2019.	Yes
4.4.3.1	Pelipikan estate hired local people for estate operations such as harvesters, drivers and security guards. Remote review of list of workers provided, there are local people hired.	Yes
4.4.4.1	Pelipikan estate adopted HSPHB group Safety and Health Policy dated 01/04/2015 signed by Chief Executive – Group Plantations. Remote review of training records, Pelipikan estate conducted OSH policy training to all workers dated 09/01/2020. Phone call interview with workers informed, the awareness regarding safety and health policy and plan were established.	Yes
4.4.4.2	a	Yes
	b	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Effect: Body injury</p> <p>Existing Control: Safe awareness, first aid kit and PPEs</p> <p>Risk evaluation: 2 (L) x 4 (S) = 8 (M)</p> <p>Recommendation Control: SOP for tire refill according to spec and pressure based on tire size, install tire pump guarding, training SOP for pumping tire based on the pressure and tire type /size.</p> <p>Awareness training regarding to safety procedure for pumping the flat tire had been conducted on 13/04/2020 and 10/03/2021.</p>	
c i	<p>Pelipikan estate established the OSH training programme 2021 dated 31/01/2021.</p> <p>Remote review of training record for safety work practice as follow:</p> <ol style="list-style-type: none"> 1. Chemical mixing for chemical sprayer dated 28/04/2021 2. Fire safety for all workers dated 08/04/2021 3. COVIC-19 awareness for all workers dated 17/03/2021 4. First aid for mandore, security and weighbridge operator dated 19/05/2021. 	Yes
c ii	<p>Remote photo review of SDS for chemical and fertilizer in chemical store are displayed and updated. Chemical and fertilizers are stored in proper storage facilities with sufficient ventilations.</p> <p>SDS available in dual language, English and Bahasa Malaysia.</p>	Yes
d	<p>Pelipikan estate established HIRARC and CHRA to identify the PPE required for all activities.</p> <p>Remote review of records of PPE issuance maintained with latest dated 25/03/2021. The PPE included the medical face mask and hand sanitizer.</p> <p>Remote review of briefing record for PPE Handling & replacement conducted to workers dated 22/04/2021.</p> <p>Phone call interview with workers inform the awareness briefing regarding to usage of PPE for work and COVID-19 provided.</p>	Yes
e	<p>Pelipikan estate established SOP for handling hazardous chemical in estate activities as follow:</p> <ol style="list-style-type: none"> 1. Chemical handling (HSPSB/SSOP/14-19) 2. Chemical Spraying (HSPSB/SSOP/5-19) 3. Transportation of premix chemical to Spraying Area (HSPSB/SSOP/7-19) 4. Triple rinsing of empty chemicals containers (HSPSB/SSOP/6-19) 	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>5. Premixing of herbicides (HSPSB/SSOP/9-19)</p> <p>6. Scheduled wastes (HSPSB/SSOP/15-19)</p> <p>Remote photo review, all SOPs are displayed at notice board.</p> <p>Remote photo review of chemical product with original label and packaging. All chemical products are stored in good conditions, good ventilation and locked. Liquid chemical placed in tray below and powder chemical placed on top.</p>	
f	<p>Pelipikan estate appointed Senior Manager, as chairman of Safety and Health Committee.</p> <p>Remote review the appointment letter dated 15/02/2021 signed by Chief Executive – Group Plantations.</p>	Yes
g	<p>Pelipikan estate conducts OSH committee meeting on quarterly basis.</p> <p>Remote review of latest OSH minutes of meeting conducted dated 19/04/2021. The agenda in meeting consist of safety matters, health matters, accident reporting, workplace inspection and others matter are available.</p> <p>Remote review of OSH minutes, Pelipikan OSH committee discuss the issue related to COVID-19 SOP implementation and 6 accidents were reported with 32 days medical leave.</p>	Yes
h	<p>Pelipikan estate established Emergency Respond Plan, revision date 01/05/2020. The ERP includes the COVID-19 response plan.</p> <p>Remote review of training record, Pelipikan estate conduct ERP training to workers dated 19/02/2020.</p> <p>Remote photo review, ERP procedure related to COVID-19 displayed at the notice board.</p>	Yes
i	<p>Pelipikan estate conduct first aid kit inspection by clinic nurse. Remote review of latest first aid kit inspection conducted on monthly basis.</p> <p>Remote review of training record, Pelipikan estate conduct latest first aid training to mandore, security guards and weighbridge operator dated 19/05/2021.</p> <p>Remote photo review, first aid kit available at the office and workshop.</p>	Yes
j	<p>Pelipikan estate established records of injuries and accidents.</p> <p>Remote review on Pelipikan estate annual accident record, reported 32 lost days with medical leave submitted to DOSH in JKPP – 8 form for year 2020 dated 19/01/2021.</p> <p>Remotely review 5 OSH meeting minutes, 6 accidents were reported and discuss involve major accident, road accident and</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	minor injuries during harvesting activities in field with total of 32 lost days with medical leave.	
4.4.5.1	<p>Pelipikan estate adopted HSPHB group Sustainable Agricultural Policy dated 31/10/2020 signed by Chief Executive – Group Plantations.</p> <p>The policy state two points:</p> <ol style="list-style-type: none"> 1. Respect and support the Universal Declaration of Human Rights 2. Respect and recognize the Rights of all Workers. <p>Remote review of training records, Pelipikan estate conduct policy training to workers dated 26/01/2021.</p>	Yes
4.4.5.2	<p>Pelipikan estate adopted HSPHB Equal Opportunity policy dated 01/03/2019 signed by Chief Executive – Group Plantations.</p> <p>The policy states ‘HSPHB shall ensure the hiring, remuneration, access for training, promotions, termination or retirement will be implemented based on business needs, job requirements and individual qualification regardless to race, religion, gender, ethnic origin, social class, national origin, disability, sexual orientation, gender identity, marital status, uniform membership, political affiliation or any other distinguishing characteristic.’</p> <p>Remote photo review of the policy is available in English and Bahasa Malaysia language and displayed at estate notice board.</p>	Yes
4.4.5.3	<p>Pelipikan estate established contract agreement for workers in accordance with Sabah Labour Ordinance.</p> <p>Remote review of contract agreement, both local and foreign workers are provided signed by estate management and workers.</p> <p>Pelipikan estate adopt the HSPHB employment contract daily rate is RM42.31.</p> <p>Pelipikan estate established Piece Rated Table agreed by workers and management for harvesting, chemical spraying activities, manuring and FFB loading.</p> <p>Example piece rate for circle path is RM14 per ha.</p> <p>Remote review of chemical sprayer pay slip and piece rated work form for month of April 2021, payment paid as agreeable rate between chemical sprayer and estate management.</p> <p>Phone call interview with workers informed, they are briefed and agreed on the list of piece rate.</p>	Yes
4.4.5.4	<p>Phone call interview with Pelipikan estate senior manager and workers informed no contractors engaged for all services in the estate operations starting from May 2019 onwards.</p>	Yes
4.4.5.5	<p>Pelipikan estate established list of workers which include name of worker, date of birth, date joined, nationality, identity card number or passport number and type of work.</p> <p>Remote review of list of workers maintained and updated.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.6	<p>Pelipikan estate maintain contract employment for all workers.</p> <p>Remote review of contract employment consist of worker particulars, worker job, wage rate and type of allowances duly signed by both the management and worker.</p>	Yes
4.4.5.7	<p>Pelipikan estate has established workers checklist / check role to record workers attendance during muster call.</p> <p>Remote photo review of working hours is displayed at the office notice board and muster ground.</p> <p>Remote documents reviewed on contract agreement includes the overtime rate according to Sabah Labour Ordinance 1967 requirement of 1.5 times hourly rate.</p> <p>Phone call interview with workers informed that they have been briefed on the working hours when they signed the contract agreement and they understand on working hours and overtime rates.</p>	Yes
4.4.5.8	<p>Pelipikan estate working hours are complying with Sabah Labor Ordinance 1950 (Chapter 67).</p> <p>Photo reviewed the working hours is displayed at notice boards.</p> <p>Working hours as follows:</p> <p>Working hours: 6.00 am to 2.00 pm</p> <p>Break time: 10.00 am to 11.00 am</p> <p>Phone call interview with workers informed they are briefed on estate working hours and overtime rates.</p>	Yes
4.4.5.9	<p>Pelipikan estate provide pay slips to all workers documenting wage for the month and any overtime performed based on input from the check roll book.</p> <p>Overtime rate are paid according to Sabah Labour Ordinance of 1.5 times for normal day. Overtime rate stated in the work contract:</p> <ol style="list-style-type: none"> 1. Weekdays rate 1.5 times of hourly rate. 2. Weekends rate 2.0 times of hourly rate. 3. Public holiday rate 3.0 times of hourly rate. <p>Phone call interview with tractor driver and remote document reviewed on April 2021 pay slip and check roll, overtime is paid 1.5 times as per employment contract and according to legal requirements.</p> <p>Phone call interview with workers informed they understand the wages and overtime rates.</p>	
4.4.5.10	<p>Pelipikan estate provides benefits such as housing, medical, crèche for children, harvesting incentive, medical, water supply, electricity, religious worship place, sports amenities, bonus and contribution for the festive season.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.11	<p>Pelipikan estate housing follow the industry best practice for living quarters.</p> <p>Remote photo review at Pelipikan estate living quarters adopt industry best practices with sufficient space for a family or those unmarried, water, electricity, sports and recreational area, clinic, crèche are provided.</p> <p>Sanitation activities had been conducted in living quarters for COVID-19.</p> <p>Remote review of sanitation record at estate complex updated 10/05/2021.</p>	Yes
4.4.5.12	<p>Pelipikan estate adopted HSPHB group Sexual Harassment, Violent and Abuse policy signed by Chief Executive – Group Plantations dated 20/11/2017.</p> <p>The policy defines sexual harassment, violence and abuse and company commitment to resolve such problems.</p> <p>Remote photo review of sexual harassment policy is publicly displayed at notice board.</p> <p>Remote review of training records for sexual harassment conducted to workers dated 11/05/2021.</p> <p>Remote review on complaint records, there is no complaint lodge for sexual harassment.</p> <p>Phone call interview with workers informed there is no sexual harassment occur in the estate.</p>	Yes
4.4.5.13	<p>Pelipikan estate adopt HSPHB freedom of association and right to collective bargaining policy dated 01/03/2019 approved by Chief Executive Group Plantation.</p> <p>The policy describes:</p> <p>HSPSB shall recognize and respect the right of employees to join trade unions of their choice and to bargain collectively subject to the provisions of relevant national legislation.</p> <p>Remote review of training record for FOA policy conducted to workers dated 26/01/2021.</p> <p>Pelipikan estate has established Joint Consultation committee comprises of representatives from management and workers.</p> <p>Remote review of latest JCC meeting conducted dated 17/02/2021.</p> <p>Example of topics discussed;</p> <p>Introduction of HSPHB and company's MSPO status.</p> <p>Phone call interview with workers informed, the awareness briefing regarding to policy on freedom of association and right to collective bargaining and social distancing were conducted.</p>	Yes
4.4.5.14	<p>Pelipikan estate adopted HSPHB sustainable agricultural policy dated 31/10/2020.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The policy state the company does not employ and promote the use of child labour and measure to prevent use of such labour.</p> <p>Remote review of list of workers, Pelipikan estate did not hire child workers or underage workers. Sighted workers list with the youngest of birth on year 2002 and join the estate on year 2021.</p>	
4.4.6.1	<p>Pelipikan estate has established training programme for the year 2021 updated on 26/05/2021.</p> <p>Training programme included:</p> <ol style="list-style-type: none"> 1. Company policy and procedures 2. Chemical handling practices 3. Emergency response plan 4. Environmental management 5. COVID-19 disease procedure 6. Workshop & maintenance <p>Remote document review on training records of year 2021, the training conducted as below:</p> <ol style="list-style-type: none"> 1. First aid dated 19/05/2021 2. Chemical handling dated 26/04/2021 3. Harvesting dated 26/02/2021 4. Environment dated 17/03/2021 5. COVID-19 procedure dated 17/03/2021 6. Workshop & Air compressor dated 10/03/2021 <p>Phone call interview with workers informed, the awareness briefing regarding COVID-19 was conducted.</p>	Yes
4.4.6.2	<p>Pelipikan estate provides induction training for new workers on company policies and SOP of estate operations.</p> <p>Occupational safety and health training program 2021 sighted and training conducted as per schedule.</p> <p>Training provided is based on the work description.</p> <p>Remote review of training need analysis is based on job description as below:</p> <ol style="list-style-type: none"> 1. Chemical handling dated 26/04/2021 2. Harvesting dated 26/02/2021 3. Workshop & Air compressor dated 10/03/2021 	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.6.3	<p>Pelipikan estate established annual training programme for the year 2021 dated 16/02/2021.</p> <p>Training based on job specification of workers as well as other related topics such as safety and health.</p> <p>Remote review of training to be conducted as below;</p> <ol style="list-style-type: none"> 1. Manuring for manurer 2. Chemical spraying for sprayer 3. Scheduled wastes for mandore 4. First aid for mandore, security guards and weighbridge operator 5. Fire safety for all workers 6. COVID-19 awareness procedure for all workers <p>The continuous training programme and updated annually.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>Pelipikan estate adopted HSPHB group Environmental Policy dated 15/11/2018 signed by Chief Executive – Group Plantations.</p> <p>HSPHB group Environmental Policy states Group is committed to protect environmental and conserve biodiversity for future generations. We shall strive to maintain good balance between environmental conservation and business object.</p> <p>Pelipikan estate established environmental impact assessment, management action plan and continual improvement plan, 4th review 13/05/2021.</p> <p>The management plan has included 4.0 compliance to laws and legislations page 9 example;</p> <ul style="list-style-type: none"> • Environmental Quality Act 1974 (Act 127) <p>The policy is made available at the notice boards of estate office.</p> <p>Remotely reviewed the Environmental Impact Assessment (EIA) consist of Activity, Environment Aspect, Environment Impact (Negative and positive impacts), mitigation or improvement plan, monitoring, timelines and PIC.</p> <p>Phone call interview with workers informed they were briefed on environmental policy and EIA dated 17/03/2021.</p>	Yes
4.5.1.2	<p>a Pelipikan estate adopted HSPHB group Environmental Policy dated 15/11/2018 signed by Chief Executive – Group Plantations.</p> <p>HSPHB group Environmental Policy states Group are committed to protect environmental and conserve biodiversity for future generations.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>We shall strive to maintain good balance between environmental conservation and business object.</p> <p>Objective of EMP and monitoring plan;</p> <ul style="list-style-type: none"> To identify and determine the key environmental impacts results from the activities of Hap Seng Plantations Holdings Berhad. To ensure continuous awareness of the need to check and monitor key environmental components Pelipikan estate and take appropriate remedial measures to avoid environmental degradation. To protect the environmental of Pelipikan estate neglect, mismanagement, and irresponsible activities during re-planting, established and operation. To ensure conformation to all activities are within the Laws/Acts and legislation of Stage and Nation. 	
b	<p>Pelipikan estate established environmental impact assessment, management action plan and continual improvement plan d, 4th review 13/05/2021.</p> <p>The aspect and impacts analysis of operation as regards to environmental related issue has been incorporated in the EIA dated 13/05/2021 such as harvesting, spraying, manuring, pest infection control, transportation of FFB and workers, workshop, store, diesel tank, generator house, housing area, landfill, scrap metal, chemical mixing, HCV.</p> <p>The EIA study of environmental aspects and impacts with the following table:</p> <p>Activity, issue, impacts, plan and monitoring program, CIP, responsibility, timeframe.</p> <p>Example;</p> <p>Activity: Workshop Management</p> <p>Aspect: Scheduled Wastes storage</p> <p>Impact: Indiscriminate throwing and spillages of spent oil causes pollution to soil and waterways</p> <p>Control measure: All scheduled wastes are properly arranged inside the scheduled wastes store, Regular inspection of scheduled wastes store and oil traps by the workshop supervisor. Cleaning activities conducted quarterly basis.</p> <p>Management action plan: To continues regular cleaning of the oil traps, to continue proper arrangement</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Remotely reviewed the record, the scheduled wastes store inspection and oil traps cleaning conducted quarterly basis dated 15/12/2020 and 20/03/2021.	
4.5.1.3	<p>Pelipikan estate Continuous Improvement Plan 4th review dated 13/05/2021.</p> <p>The table describing the activity, issue, impacts, plan and monitoring program, CIP, responsibility, timeframe.</p> <p>Negative Impact;</p> <p>Aspect: Scheduled wastes storage</p> <p>Impact: Indiscriminate throwing and spillages of spent oil causes pollution to soil and waterways</p> <p>Control measure: All scheduled wastes are properly arranged inside the scheduled wastes store, Regular inspection of scheduled wastes store and oil traps by the workshop supervisor. Cleaning activities conducted quarterly basis.</p> <p>Management action plan: To continues regular cleaning of the oil traps, to continue proper arrangement</p> <p>Remotely reviewed the record, the scheduled wastes store inspection and oil traps cleaning conducted quarterly basis dated 15/12/2020 and 20/03/2021.</p>	Yes
4.5.1.4	<p>Pelipikan estate Continuous Improvement Plan 4th review dated 13/05/2021 includes positive impacts.</p> <p>Positive impacts: Recycle Wastes</p> <p>Environmental Impact: Accumulated wastes may affect the environmental and reduce pollution</p> <p>Improvement Action Plan: Segregate the domestic wastes with the recycle wastes. Build recycle wastes collection store and awareness training</p> <p>Person In charge: Senior Estate Manager</p> <p>Remarks: Completed</p> <p>Remote document review, the awareness training for 3R conducted dated 16/03/2021.</p> <p>Remote photos review, the recycle wastes collection store construction completed in September 2020.</p>	Yes
4.5.1.5	<p>Pelipikan estate established the training program for environmental dated 16/02/2021.</p> <p>Environmental training dated 17/03/2021 and HCV & RTE training dated 24/02/2021.</p> <p>Phone call interview with workers informed they are brief on company environmental policy and HCV & RTE.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.6	<p>Pelipikan estate most recent environmental meeting conducted on 19/04/2021 involved representatives from management and workers.</p> <p>Remotely reviewed the Pelipikan estate environmental meeting minute, no feedback from workers regarding to environmental issue.</p> <p>The frequency of the meeting is quarterly basis.</p> <p>Example of topics discussed were scheduled wastes, open burning, riparian, recycle, environmental policy, environmental impact training.</p> <p>Phone call interview with workers informed they attended the environmental meeting.</p>	Yes
4.5.2.1	<p>Pelipikan estate establish baseline for diesel consumption for 3 years from 2017 to 2019 for vehicle and genset.</p> <p>The baseline is a benchmark to compare against the actual usage of fuel per metric ton FFB produced.</p> <p>Remote document reviewed the diesel consumption report 2020 stated, diesel consumption increase due to increase in number of vehicle at Pelipikan estate.</p> <p>Latest Fossil Fuels Management plan efficiency improvement plan is established dated 13/05/2021.</p> <p>The plan includes:</p> <p>Regular services of generator set for smooth running of engines and prevent excessive emission of greenhouse gas. Estate has set up a schedule to monitor the usage of fuels and monitor regular basis by using inspection form.</p> <p>Remotely review the regular service records for generator and vehicle dated 02/03/2021.</p>	Yes
4.5.2.2	<p>Pelipikan estate established budget for fuel consumption year 2020.</p> <p>The fuel consumption established including farm tractor, lorry or truck, supervision car, electrical and heavy machinery.</p> <p>Remote document review, diesel budget for 2020 is compared against actual usage 2020. Records as at December 2020, the diesel consumption low compared to budget.</p>	Yes
4.5.2.3	<p>Pelipikan estate does not practice renewable energy currently.</p> <p>Review the photos provided at workers housing and phone call interview with estate management, no renewable energy implemented.</p>	Yes
4.5.3.1	<p>Pelipikan estate established Waste Management Plan (WMP) review dated 13/05/2021.</p> <p>Estate has identified wastes from solid, liquids and gasses.</p> <p>Example of waste;</p> <p>Type of waste: Domestic wastes</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Source generated: Worker housing and canteen</p> <p>Category: Solid / liquid</p> <p>Environmental impact: Improper wastes management may causes accumulating of wastes generated.</p> <p>Monitoring Plan: Disposal of domestic wastes is done on daily basis and disposed at landfill which is far from waterways</p> <p>Person In-charge: Estate Assistant Manager</p> <p>Remote document review, the domestic wastes collected on daily basis and disposed at landfill.</p> <p>Remotely review the block location map of landfill, the landfill located 500 meter away from housing and waterways area.</p>	
4.5.3.2	<p>a Pelipikan estate established Waste Management Plan dated 13/05/2021 include wastes identification and disposal method.</p> <p>WMP describes wastes identification and disposal method listing the table type of wastes source, location, disposal method, related documents and responsibility.</p> <p>Example;</p> <p>Liquid wastes:</p> <p>Source: Workshop</p> <p>Type: Used engine oil</p> <p>Disposal Method: Scheduled wastes</p> <p>Storage: Scheduled wastes store.</p> <p>Monitoring Plan: Proper scheduled waste management conducted as required in legal EQA (Scheduled Waste) 2005</p> <p>Lagenda Bumimas appointed as contractor to conduct the collection at estate. Collection made every 180 days or 6 month as requirement.</p> <p>Responsibility: Estate Assistant Manager</p> <p>Pollution: Soil Pollution</p> <p>Remote document reviewed, the scheduled wastes collected by DOE authorised contractor dated 15/03/2021.</p>	Yes
	<p>b Pelipikan estate established Waste Management Plan dated 13/05/2021 include wastes identification and disposal method.</p> <p>Example;</p> <p>Solid wastes</p> <p>Source: Field</p> <p>Waste: Fertilizer bags</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Reuse: Loose fruit collector</p> <p>Remotely reviewed the fertilizer bag record used for loose fruit collection dated 20/03/2021.</p>	
4.5.3.3	<p>Pelipikan estate adopted HSPHB Safe and Standard operation (SOP). SOP HSPSB/SSOP/5-19 Chemical spraying, date of doc 2016, update 02/03/2017.</p> <p>The SOP guide the workers to use the chemical. SOP stated the PPE used and safety during handling the chemical. After work is done the storage of tools and proper arrangement of balance used chemical at store.</p> <p>Remote photos review, scheduled wastes store and empty chemical container in proper arrangement.</p>	Yes
4.5.3.4	<p>Pelipikan estate adopted HSSPHB SOP Triple rinse of used chemical container, doc no: HSPSB/SSOP/6-19. SOP stated triple rinse before work, during working, after working and safety issue.</p> <p>All rinsed water discharged from premix chemical activities at premix area, will be collected and reused during spraying activity in field.</p> <p>All empty chemical containers will be managed accordingly with recycling programme applied which triple rinse practices, punctured and labelled before stored and disposed by DOE authorised contractor.</p> <p>Remotely reviewed the empty chemical containers record dated 20/03/2021 used for chemical spraying activity and marked with "X" in red.</p> <p>Phone call interview with workers informed, they are briefed on the safe handling of used chemicals and disposal.</p>	Yes
4.5.3.5	<p>Pelipikan estate disposed domestic wastes at designated landfill.</p> <p>Remotely review the block location map of landfill, the landfill located 500 meter away from housing and waterways area.</p>	Yes
4.5.4.1	<p>Pelipikan estate waste management plan dated 13/05/2021 includes the assessment of pollutions and GHG emissions derived from solid, liquid and gaseous as describe in section 6.1 of the plan.</p> <p>The table included in plan describing type of wastes and GHG emissions</p> <p>Example;</p> <p>Fertiliser: CH₄, N₂O</p> <p>Waste Oil: CO</p>	Yes
4.5.4.2	<p>Pelipikan estate established action plan in waste management plan updated 13/05/2021 how to reduce the pollution and emissions.</p> <p>Example;</p> <p>Regular servicing of the generator set for smooth running of engines and prevent excessive emission of greenhouse gas.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Phone call interview with estate management and document reviewed on vehicles service records of March 2020, the farm tractor is regularly service and maintained to reduce significant pollutions.	
4.5.5.1	a Pelipikan estate established water management plan, dated 19/05/2021. Water management plan included the map on the location of water sources and identify water usage for domestics and operations. Example; Source: Rain water Usage: Domestic and field operations Source: Stream Usage: Field operations	Yes
	b Pelipikan estate established water management plan review date 19/05/2021. Inflow and outflow of water in the estate are monitored. Water samples tested by 3 rd party to ensure the quality is not affected by the estates activities. Latest test dated 20/12/2020 within National water quality standard.	Yes
	c Pelipikan estate established water management plan dated 19/05/2021 describe the source and usage of water. Pelipikan estate monitor rainfall for water optimization planning of usage. Photo verification at worker housing and phone call interview with workers informed water from rain harvesting are used for domestic usage. All empty chemical containers washing and rinsing water is recycled for premix usage. Phone call interview with worker informed the rinsing water from the empty chemical container is reuse for chemical premix. Chemical container washing and rinsing water is recycle for pre-mix used. Rain harvesting is practice at housing and facilities area for domestic consumption.	Yes
	d Monthly monitoring of riparian zone establish to monitor water quality, no activates of chemical and fertilizer application. Remote photos review, appropriate signage installed at buffer and riparian zones. Phone call interview informed, briefing on riparian area conducted during morning muster roll call.	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment		Compliance
	e	Photos reviewed observed Pelipikan estate buffer zone along the stream well maintain no natural vegetation removed.	Yes
	f	Phone call interview with Pelipikan estate management and photos reviewed, there are no bore wells constructed to extract ground water.	Yes
4.5.5.2		Phone call interview with Pelipikan estate management and photos reviewed, there are no bunds, weirs and dams constructed across main river passing through Pelipikan estate.	Yes
4.5.5.3		Pelipikan estate established water management plan dated 19/05/2021 describes that rain harvesting is practices by estate for domestic uses. Photo verification of worker housing and phone call interview with workers informed, rain water was collected for domestic usage.	Yes
4.5.6.1	a	Pelipikan estate established High Conservation Value and Biodiversity report assessment review dated 19/05/2021. HSPHB established Rare, Threatened and Endangered Species Policy dated 20/11/2017 sign by Chief Executive - Group Plantations. The assessment identified the type of fauna found in the unplanted areas, buffer zones and riparian reserves. Phone call interview with workers informed, they are briefed on RTE.	Yes
	b	Pelipikan estate established wildlife assessment report as monitoring system to monitor wildlife at potential HCV area on weekly basis. Remote document review, the report includes status and total numbers of wildlife sighted. Example wildlife report dated 08/04/2021 reported eagle is found in field.	Yes
4.5.6.2	a	Pelipikan estate adopt HSPHSB Environmental Policy and committed to protect environment and conserve biodiversity. The policy mention to comply all relevant legal requirement regarding RTE species. Remote document review, training on wildlife conducted on 24/02/2021. Remote audit photos review, no hunting / no entering signage are established at boundary area near Hutan Simpan Lingkabau	Yes
	b	Signage no hunting available / no entering at boundary area near Hutan Simpan Lingkabau. Phone call interview with workers informed, no hunting, fishing and capturing wild life in estate.	Yes
4.5.6.3		Pelipikan estate established wildlife assessment report as monitoring system to monitor wildlife at potential HCV area on weekly basis.	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Remote document review, the report includes status and total numbers of wildlife sighted.</p> <p>Example wildlife report dated 08/04/2021 reported eagle is found in field.</p>	
4.5.7.1	<p>Pelipikan estate adopted the HSPHB group Sustainable Agricultural Policy Zero burning dated 15/08/2019 approved by Chief Executive – Group Plantations.</p> <p>Policy specifies strictly on no burning practice to all new plantings, replanting or other developments.</p> <p>Pelipikan adopted the HSPHB – Oil Palm Agricultural policy (OPAP) reference: OPAP No.2 dated October 2014 Point no.2 states that HSPHB adopts zero burn policy for replanting.</p> <p>Remote photos review, No sign of open burning identified at landfill and housing.</p> <p>Remotely review the replanting programme dated 05/11/2020, no replanting conducted in 2021. Therefore, no replanting area to be reviewed.</p>	Yes
4.5.7.2	<p>Pelipikan estate adopted the HSPHB group Sustainable Agricultural Policy Zero burning dated 15/08/2019 approved by Chief Executive – Group Plantations.</p> <p>Policy specifies strictly on no burning policy.</p> <p>Remote photos review, there is no serious palm diseases identified that require burning.</p>	Yes
4.5.7.3	<p>Pelipikan estate adopted the HSPHB group Sustainable Agricultural Policy Zero burning dated 15/08/2019 approved by Chief Executive – Group Plantations.</p> <p>Policy specifies strictly on no burning policy.</p> <p>There is no application documents for controlled burning.</p>	Yes
4.5.7.4	There is no new planting and replanting at Pelipikan estate in year 2021.	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>Pelipikan estate adopts HSPHB group SOPs for the best practices, Oil Palm Agriculture Policy (OPAP) and the procedure consistently implemented and monitored. The OPAP contains OPAP 1- OPAP 15 was established in August 2009.</p> <p>Example OPAP;</p> <p>SOP Clinical wastes document no HSPSB/SOP/8.03.17- all clinical wastes (mask, glove, apron) will dispose in the yellow bag.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>SOP Managing COVID-19 in plantation, doc no HSPHB P6 1-20/2 dated 16/03/2020.</p> <p>Point no. 10, check body temperature twice a day (morning and afternoon).</p> <p>Remote photos review, daily workers body temperature is recorded and maintained dated 26/05/2021.</p>	
4.6.1.2	<p>Pelipikan Estate adopted HSPHB OPAP 03 Soil Conservation and terracing dated 01/07/2009.</p> <p>The SOP describe planting on slope, degree and management plan to prevent soil erosion.</p> <ol style="list-style-type: none"> 1. Vegetation maintain in inter-row to minimise soil erosion, improve soil physical properties and organic status using legume cover crop (LCC), and other soft grasses. 2. Platforms for soil erosion, fertilizer wash-off and facilitate harvesting and fruit collection. 3. EFB application to maintain the soil moisture and erosion. <p>Remote review the topography map and altitude reading using tool “GPS Coordinate Malaysia” at block P213, planting on slope is approx. 250 m after sea level and below 25° that is in line with code of practices provided by MPOB for best agricultural practices.</p> <p>Remote photo review, silt trap are constructed at the terracing area, cover crops planted to maintain soil moisture and prevent soil erosion at terracing area.</p>	Yes
4.6.1.3	<p>Pelipikan estates established block marking at each field block includes information on year of planting, block number, survey ha and planting material.</p> <p>Remote photos review, Pelipikan estate field block marking include the year of planting, block number, survey ha and planting material.</p>	Yes
4.6.2.1	<p>Pelipikan estate established yearly budget 2021 include of expenses, crop statement and profit & loss.</p>	Yes
4.6.2.2	<p>Pelipikan estate replanting programme has been reviewed. Replanting will start from 2024 onwards.</p>	Yes
4.6.2.3	<p>Pelipikan estate established 5 years business plan that include following:</p> <ol style="list-style-type: none"> a. Replanting programme b. 5 years crop projection for 2021 – 2025 c. Production cost actual and budget. (Monthly FFB report) d. FFB forecast. (5 years 2021-2025) e. FFB month End as at April 2021 	Yes
4.6.2.4	<p>Pelipikan estate established monthly report to monitor the income and expenditure, FFB production and price of FFB.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.3.1	<p>Pelipikan estate managed and control purchase of products by receiving quotation from seller.</p> <p>Documents reviewed and verified quotation for purchasing of chemicals, fertilizers and other works, the purchasing order issued based on the agreed price.</p>	Yes
4.6.3.2	<p>Pelipikan estate purchases of chemicals, fertilizers and tools using a quotation and purchase order system.</p> <p>Remotely review payment voucher, payment is made based on terms and conditions stated in the invoice dated 26/05/2021 provided by the supplier and issuance of purchase order to acknowledge and confirmation of the price.</p>	Yes
4.6.4.1	<p>Pelipikan estate does not engage contractor. Therefore, no documents established.</p>	Yes
4.6.4.2	<p>Pelipikan estate does not engage contractors. Thus, no contract agreement available for review</p>	Yes
4.6.4.3	<p>Pelipikan estate does not engage contractors. Therefore, no agreement established.</p>	Yes
4.6.4.4	<p>Pelipikan estate does not engage contractors. Therefore, no documents established.</p>	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	Pelipikan estate planting statement and estate map is review. The 1 st planting in year 1999 and latest planting in year 2011. There is no new planting conducted in 2021, thus, no biodiversity assessment required.	Yes
4.7.1.2	Pelipikan estate planting statement, estate map and land titles are reviewed. The 1 st planting in year 1999 and latest planting in year 2011. Therefore, no EIA or PMM required to establish.	Yes
4.7.2.1	Pelipikan estate planting statement and map is review, there is no peat land. Remote photos review, there is no peat land within the estate.	Yes
4.7.3.1	Pelipikan estate planting statement, estate map and land title are reviewed. There is no new planting. Therefore, no SEAI document established.	Yes
4.7.3.2	Pelipikan estate planting statement, estate map and land title are reviewed. There is no new planting. Therefore, no SEAI document established.	Yes
4.7.3.3	Pelipikan estate planting statement, estate map and land title are reviewed. There is no new planting. Therefore, no SEAI document established.	Yes
4.7.3.4	Pelipikan estate planting statement, estate map and land title are reviewed. There is no new planting. Therefore, no SEAI document established.	Yes
4.7.4.1	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no soil map established.	Yes
4.7.4.2	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no topography map established.	Yes
4.7.5.1	The planting statement are review and there are no new planting at Pelipikan estates in 2021. Therefore, no topography map and permits established.	Yes
4.7.5.2	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no monitoring management plans for fragile and marginal soil established.	Yes
4.7.5.3	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no soil map established.	Yes
4.7.6.1	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no FPIC conducted and no communities affected.	Yes

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



4.7.6.2	The planting statement are review and there are no new planting at Pelipikan estate in 2021. There are no sacred sites, therefore, no management plan establish.	Yes
4.7.6.3	The planting statement are review and there are no new at Pelipikan estate in 2021. Therefore, no soil SOP established.	Yes
4.7.6.4	The planting statement are review and there are no new planting at Pelipikan estates in 2021. Therefore, no compensation and agreement established.	Yes
4.7.6.5	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no assessment of legal and recognized customary right established.	Yes
4.7.6.6	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no compensation plan established.	Yes
4.7.6.8	The planting statement are review and there are no new planting at Pelipikan estate in 2021. Therefore, no communities affected.	Yes

4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.
x	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised.
	No non-conformity raised in previous audit.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out or repeated, the finding will be raised to a Major non-conformity.</i></p> <p><i>Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.</i></p>	

4.5. Detail of Audit Findings in last audit

AUDIT OUTCOME		
During last Audit	0	MAJOR Non-Conformities
	1	MINOR Non-Conformities

Non Conformity Number < 1 >	
Indicator # and Description:	4.4.1.1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.
Location:	Office

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Non Conformity Number < 1 >	
Description of Finding / Objective Evidence:	
Social Impact Assessment not include the impact of COVID-19.	
Classification	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor
Raise by:	Khairul Anwar Bin Ismail Date Raise: 13/05/2020
Deadline for implementation	12/06/2020
Root Cause Analysis (by company):	
Social Impact Assessment (April'20) unable to include the impact of COVID-19 due to meeting/impact assessment activity related to MSPO certification is not allowed by Government for Agro-commodity Sector during MCO/CMCO period.	
Correction (by company):	
Pelipikan estate has immediately conducted the interview and meeting with workers to assess the impact of COVID-19 with proper record. (Attachment 2 - SIA Report - Pelipikan estate)	
Corrective / Preventive Action (by company)	
The independent Sustainability Team will monitor yearly of Social Impact Assessment related with internal & external requirement.	
Review of Correction & Corrective / Preventive Action	
Review documents submitted, the SIA finalised on 18/05/2020 include action and mitigation plan for COVID-19. The interview and meeting with workers conducted on 16 - 17/05/2020.	
Further verification for implementation will be conducted during onsite audit	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Trainee Lead Auditor:	Date of Closure:
Khairul Anwar Bin Ismail	02/07/2020
Review of Implementation	
Pelipikan estate established and implemented the Coronavirus disease 2019 (COVID-19) pandemic emergency preparedness and response guidelines for plantation (Estate and Mill Operations) from April 2020 and onwards. Physical distance, MySejahtera Apps scan, regular body temperature monitoring and wearing face mask were implemented before enter premise.	
Photo review of the practices, Pelipikan estate management practices in accordance to COVID-19 SOP.	
Building sanitation records updated on 10/05/2021.	
Briefing records of COVID-19 to workers been review conducted on 17/03/2021.	
Phone call interview with workers, they are briefed on COVID-19 SOP.	
The implementation could be consider as appropriate.	
Name of Auditor:	Date of Review:
Mohd Nur Amin Bin Mohd Halim	28/05/2021

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



4.6. Detail of Remote Audit Findings Identified during this audit

This section gives an overview of the non-conformities raised during this audit.

REMOTE AUDIT OUTCOME		
During this remote audit,	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1	4.4.4.2 (b)	The risks of all operations shall be assessed and documented	Office	Pelipikan estate may consider improve on risk assessment for biological control (COVID-19).

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



5. CONCLUSION

Hap Seng Plantations (Kota Marudu) Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit consisting of 1 estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented and continued to improve in managing the estate are in line with the Principles & Criteria of the applied standards of MS 2530-Part 3: 2013 General principles for Oil Palm Plantations and Organised Smallholders.

Any audit is based on sampling within an organization's management system and therefore is not a guarantee of 100 % conformity with requirements.

As a result of this audit, the audit team confirms that;

Total certified number of estate:	1
Total certified production area:	1,488.40 Ha
Certified FFBS January to December 2020	13,960.98 Mt
Certified FFBS January to April 2021	4,859.30 Mt
Project FFBS May to December 2021	16,588.21 Mt

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



6. RECOMMENDATION

The audit team conduct a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used are interviews, observations, sampling of activities, review of documentation and records.

The structure of the audit is in accordance with the audit plan included in this summary report as annex.

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policies and objectives.

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be

	Recommended for Certification
x	Recommended for Continuity of Certification
	Recommended for Suspension of Certification

Puchong, 18/06/2021

Khairul Anwar Bin Ismail
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 18/06/2021

Cheong, Chun Yuen (Robert)
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



7. LIST OF STAKEHOLDERS

No stakeholders' consultation conducted in accordance to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit. Therefore, no stakeholders listed.

MSPO Certification Summary Report

Company Name: Hap Seng Plantations (Kota Marudu) Sdn. Bhd.

Certifying Unit: Pelipikan Estate

Client Number: 92-020

Audit Type: ASA 04

Mode of Audit: Remote



Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent by the certification body to the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities of weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:

The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures

Annex /
corresponding audit documentation

- P&C Audit Report / Checklists
- Audit Plan