



# MSPO CERTIFICATION SUMMARY REPORT

HAP SENG PLANTATIONS HOLDINGS  
BERHAD - PLANTATIONS CENTRAL  
OFFICE GROUP ESTATES

SURVEILLANCE 02 AUDIT

Date: 30/12/2019

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# MSPO Certification Summary Report

Company Name: Hap Seng Plantations (River estate) Sdn Bhd

Certifying Unit: Plantations Central Office Group Estates

Client Number: 92-022

Audit Type: ASA 02



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## Abbreviations

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

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## 1. INTRODUCTION

Hap Seng Plantations Holdings Berhad has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance 02 audit for Hap Seng Plantations Group oil palm estates 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 Hap Seng Plantations Group estates by an independent certification body with the aim for compliance of the standards.

### 1.2. Scope

The certification is based on the documentation developed by the group office and estates.

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 MSPO 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 5 team members. The audit team members contributed to the review of documents, the assessment of the project activity and to the preparation of this report.

#### Qualification of the Lead Auditor: Muhammad Khairul Anuar bin Azizul Hasan

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;	Graduate in Plantation Industry and management

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Requirement	Qualifications
v) Social Sciences and/or Anthropology; 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)	7 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530: 2013 LA Course.
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 auditor, conducted more than 6 on site audits with total more than 20 man days audits.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and/ or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and Auditor MSPO and RSPO scheme.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS 9001, 14001 and 45001 LA course, Auditor for MSPO and RSPO scheme.

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### Qualification of Team Members

Requirement	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	Zul Hairi Bin Abu Hassan	Graduate in Plantation Industry and management	Yes	
	Sheron Pui Ling Wui	Graduate in Medical Science	Yes	
	Ariff bin Lokman	Graduate in Plantation Industry and management	Yes	
	Chan Shi Lie	Graduate in Technology Media	Yes	
	Mohd Nur Amin Bin Mohd Halim	Graduate in Office Management and 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)	Zul Hairi Bin Abu Hassan	9 years working experience in oil palm plantations.	Yes	
	Sheron Pui Ling Wui	3 years' experience in QA, QMS, Internal audit. 8 month work at medical field, 1.5 year experience in MSPO audit.	Yes	
	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes	
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes	
	Mohd Nur Amin Bin Mohd Halim	7 years working experience in oil palm plantations.	Yes	
Successfully completed MS 2530 series of standards training	Zul Hairi Bin Abu Hassan	Successfully completed MS2530 series training	Yes	
	Sheron Pui Ling Wui	Successfully completed MS2530 series training	Yes	

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Requirement	Assessor	Qualification	Compliance
	Ariff bin Lokman	Successfully completed MS2530 series training	Yes
	Chan Shi Lie	Successfully completed MS2530 series training	Yes
	Mohd Nur Amin Bin Mohd Halim	Successfully completed MS2530 series training	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.	Zul Hairi Bin Abu Hassan	Qualified as auditor, conducted more than 6 on site audits with total more than 20 man days audits.	Yes
	Sheron Pui Ling Wui	Qualified as auditor, conducted more than 6 on site audits with total more than 20 man days audits.	Yes
	Ariff bin Lokman	Qualified as auditor, conducted more than 6 on site audits with total more than 20 man days audits.	Yes
	Chan Shi Lie	Auditor in training	Yes
	Mohd Nur Amin Bin Mohd Halim	Auditor in training	Yes
	A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Zul Hairi Bin Abu Hassan	Bahasa Malaysia and English.
Sheron Pui Ling Wui		Bahasa Malaysia and English.	Yes
Ariff bin Lokman		Bahasa Malaysia and English.	Yes
Chan Shi Lie		Bahasa Malaysia and English.	Yes
Mohd Nur Amin Bin Mohd Halim		Bahasa Malaysia and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Zul Hairi Bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Sheron Pui Ling Wui	3 years' experience in QA, QMS, Internal audit. 8 month work at medical field, 1.5 year experience in MSPO audit.	Yes

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Requirement	Assessor	Qualification	Compliance
	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
	Mohd Nur Amin Bin Mohd Halim	7 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Zul Hairi Bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Sheron Pui Ling Wui	3 years' experience in QA, QMS, Internal audit. 8 month work at medical field, 1.5 year experience in MSPO audit.	Yes
	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
	Mohd Nur Amin Bin Mohd Halim	7 years working experience in oil palm plantations.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Zul Hairi Bin Abu Hassan	Successfully completed ISO 45001:2018 Lead Auditor Course	Yes
	Sheron Pui Ling Wui	Successfully completed ISO 45001:2018 Lead Auditor Course	Yes
	Ariff bin Lokman	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Chan Shi Lie	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes



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Requirement	Assessor	Qualification	Compliance
	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Zul Hairi Bin Abu Hassan	Successfully completed SA 8000 Basic training and auditor for MSPO schemes	Yes
	Sheron Pui Ling Wui	Successfully completed SA 8000 Basic training and auditor for MSPO schemes	Yes
	Ariff bin Lokman	Successfully completed SA 8000 Basic training and auditor for MSPO schemes	Yes
	Chan Shi Lie	Successfully completed SA 8000 Basic training and auditor for MSPO schemes	Yes
	Mohd Nur Amin Bin Mohd Halim	7 years working experience in oil palm plantations.	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Zul Hairi Bin Abu Hassan	Successfully completed 14001 LA course, Auditor for MSPO and RSPO scheme.	Yes
	Sheron Pui Ling Wui	Successfully completed 14001 LA course, Auditor for MSPO and RSPO scheme.	Yes
	Ariff bin Lokman	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Chan Shi Lie	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Mohd Nur Amin Bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes

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## 2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Final approval and issuance of certificate.

### ASA 02:

ASA 02 is conducted on 23/09/2019 to 28/09/2019 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of estate facilities and field activities;
- Interview operation personnel and field workers for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of non-conformance raised during surveillance audit;
- Assessment reporting;

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For list of all reviewed documents refer to chapter 7, Table 7-1.

### On-site Assessment

The audit of the estates 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 included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

For this surveillance audit, the selected estates was based on the formula  $S = 0.8\sqrt{n}$  where  $S$  = sample size and  $n$  = number of estates which is in accordance to MSPO certification procedure.

Based on the formula, the sample size for the estate  $S = \sqrt{13} = 3.60$ , therefore round up to the next integral of 4 estates. Kawa estate is includes for the surveillance audit, thus, a total of 5 estates are selected for the onsite assessment and inspection as listed in Table 2-1 below:

**Table 2-1: List of Estates Selected**

Name of Estate	Coordinates
Batangan	5.412140°N, 118.449945°E
Lutong	5.365445°N, 118.440611°E
Tabin	5.379779°N, 118.711723°E
Litang	5.325446°N, 118.574529°E
Kawa	4.384506°N, 118.038522°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.

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### 3. ORGANISATION INFORMATION

Hap Seng Plantations Holdings Berhad with Head Office located in Sandakan, Sabah.

The certified estates are located at the below table.

The details of the 13 estates as below:

Name of Estate	Location	Coordinates
Tomanggong Estate	80km off Jalan Jeroco, Lahad Datu Sabah	5.400528°N, 118.664362°E
Litang Estate	80km off Jalan Jeroco, Lahad Datu Sabah	5.325446°N, 118.574529°E
TagasEstate	80km off Jalan Jeroco, Lahad Datu Sabah	5.363139°N, 118.637278°E
Northbank Estate	80km off Jalan Jeroco, Lahad Datu Sabah	5.435168°N, 118.654639°E
Tabin Estate	80km off Jalan Jeroco, Lahad Datu Sabah	5.379779°N, 118.711723°E
Batangan Estate	50km off Jalan Jeroco, Lahad Datu Sabah	5.412140°N, 118.449945°E
Lokan Estate	50km off Jalan Jeroco, Lahad Datu Sabah	5.431056°N, 118.382723°E
Kapis Estate	50km off Jalan Jeroco, Lahad Datu Sabah	5.442862°N, 118.414167°E
Lungmanis Estate	50km off Jalan Jeroco, Lahad Datu Sabah	5.479529°N, 118.403139°E
Lutong Estate	50km off Jalan Jeroco, Lahad Datu Sabah	5.365445°N, 118.440611°E
Bukit Mas Estate	40km off Jalan Jeroco, Lahad Datu Sabah	5.317339°N, 118.463148°E
Sungai Segama 1 and 2 Estate	40km off alan Jeroco, Lahad Datu Sabah	5.317339°N, 118.463148°E 5.317339°N, 118.463148°E
Kawa Estate	Jalan Apas, Tawau Sabah	4.384506°N, 118.038522°E

#### 3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (Jan to Dec 2020)
	Total*	Total Planted**	
Tomanggong Estate	2,654.80	2,407.00	47,816.00
Litang Estate	2,648.62	2,474.70	38,700.00

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Tagas Estate	2,212.33	2,019.00	50,000.00
Northbank Estate	2,235.30	2,028.00	69,050.00
Tabin Estate	3,054.77	2,875.21	69,050.00
Batangan Estate	3,632.88	3,394.00	87,130.00
Lokan Estate	3,155.39	2,837.00	45,000.00
Kapis Estate	2,681.00	2,342.00	41,900.00
Lungmanis Estate	2,200.00	1,955.00	32,739.00
Lutong Estate	2,448.40	2,194.00	49,900.00
Bukit Mas Estate	4,733.00	4,258.00	91,100.00
Sungai Segama 1&2 Estate	5174.00	4,484.50	50,160.00
Kawa Estate	1,276.19	1,200.50	27,000.00
<b>Total:</b>	<b>38,106.68</b>	<b>34,468.91</b>	<b>699,545.00</b>

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

*\*\*Immature + Mature Area*

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### 3.2. Planting Program for Each Estate

Year / estate	Tomanggong	Litang	Tagas	Northbank	Tabin	Batangan	Lokan	Kapis	Lungmanis	Lutong	Bukit Mas	Sungai Segama	Kawa Estate
1992	-	-	-	-	-	-	-	-	-	-	-	1,422.56	0
1993	-	614.50	-	-	-	-	-	-	-	-	21.00	702.00	0
1994	324.50	397.9	189.00	-	-	-	-	-	-	-	1,127.50	884.50	0
1995	-	-	-	-	-	-	-	-	765.00	-	1,378.00	112.70	0
1996	348.50	185.00	-	-	-	-	-	796.00	923.00	-	1,600.00	-	0
1997	101.00	321.50	668.00	-	-	-	-	373.00	-	-	-	-	123.51
1998	401.50	-	414.00	350.00	-	-	439.00	521.00	-	-	109.50	-	399.43
1999	-	-	234.50	205.00	-	-	1,309.00	-	-	157.00	16.00	17744	603.76
2000	-	-	328.50	255.00	-	-	-	-	-	-	-	198.40	55.16
2001	-	-	-	-	-	-	-	-	-	-	6.00	25.50	0
2002	-	-	-	-	294.07	-	-	-	-	-	-	10.50	0
2003	-	-	-	-	235.32	-	-	-	-	-	-	-	18.64
2004	-	-	-	-	267.00	450.00	-	-	-	42.00	-	29.80	0
2005	-	-	-	-	-	-	-	-	-	-	-	3.00	0
2006	-	-	-	-	-	388.00	-	-	-	456.00	-	-	0
2007	-	-	-	99.00	-	-	-	-	-	159.00	-	-	0
2008	-	-	-	185.00	605.80	151.00	-	-	-	-	-	3.00-	0

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2009	-	-	-	357.00	433.10	148.00	-	-	-	-	-	-	0
2010	-	-	-	-	465.00	280.00	-	-	-	-	-	-	0
2011	-	236.00	-	324.00	499.14	682.00	-	-	-	157.00	-	-	0
2012	-	719.50	-	253.00	-	458.00	-	-	-	146.00	-	-	0
2013	-	-	-	-	-	406.00	-	-	-	306.00	-	-	0
2014	393.20	-	-	-	-	151.00	244.00	-	-	318.00	-	-	0
2015	143.00	146.30	-	-	-	280.00	149.00	-	-	303.00	-	-	
<b>Total Mature</b>	<b>2,063.70</b>	<b>2,435.70</b>	<b>2,019.00</b>	<b>2,028.00</b>	<b>2,875.21</b>	<b>3,394.00</b>	<b>2,141.00</b>	<b>1,690.00</b>	<b>1,688.00</b>	<b>2,044.00</b>	<b>4,258.00</b>	<b>3,668.00</b>	<b>1,200.50</b>
2016	352.00	-	-	-	-	-	296.00	392.00				358.00	
2017	343.30	39.00	-	-	-	-	161.00	260.00	-	150.00	-	458.50	
2018							239.00		267.00			-	
<b>Total Immature</b>	<b>838.30</b>	<b>39.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>696.00</b>	<b>652.00</b>	<b>267.00</b>	<b>150.00</b>	<b>-</b>	<b>816.50</b>	
<b>Total Oil Palm</b>	<b>2,407.00</b>	<b>2,474.70</b>	<b>2,019.00</b>	<b>2,028.00</b>	<b>2,875.21</b>	<b>3,394.00</b>	<b>2,837.00</b>	<b>2,342.00</b>	<b>1,955.00</b>	<b>2,194.00</b>	<b>4,258.00</b>	<b>4,485.50</b>	<b>1,200.50</b>

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### 3.3. Replanting program for each estate

Year of replanting/ Name of estate	Planted area (ha) in each estate					Total area to be replanted (ha)
	2019	2020	2021	2022	2023	
Tomanggong	-	-	324.50	258.50	-	<b>583.00</b>
Litang	615.00	-	-	321.50	397.90	<b>1,334.40</b>
Tagas	-	-	-	-	189.00	<b>189.00</b>
Northbank	-	-	-	-	-	-
Tabin	-	-	-	-	-	-
Batangan	-	-	-	-	-	-
Lokan	-	-	-	-	-	-
Kapis	-	-	-	-	-	-
Lungmanis	-	-	353.00	412.00	367.00	<b>1,132.00</b>
Lutong	-	-	-	-	-	-
Bukit Mas	-	-	-	-	290.50	<b>290.50</b>
Sungai Segama	491.00	528.00	-	478.00	224.00	<b>1,721.00</b>
Kawa Estate	No planned replanting for the next few years. The palms are below 25 years. Refer 3.2					
<b>TOTAL</b>	<b>1,106.00</b>	<b>528.00</b>	<b>677.50</b>	<b>1,470.00</b>	<b>1,467.90</b>	<b>5,250.30</b>



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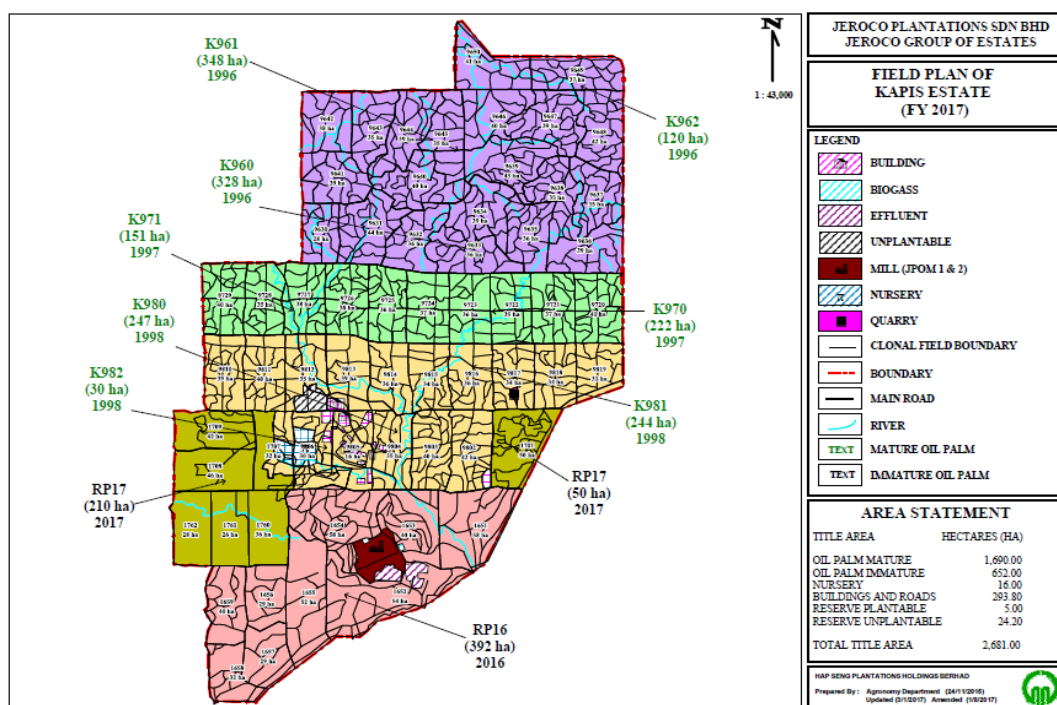
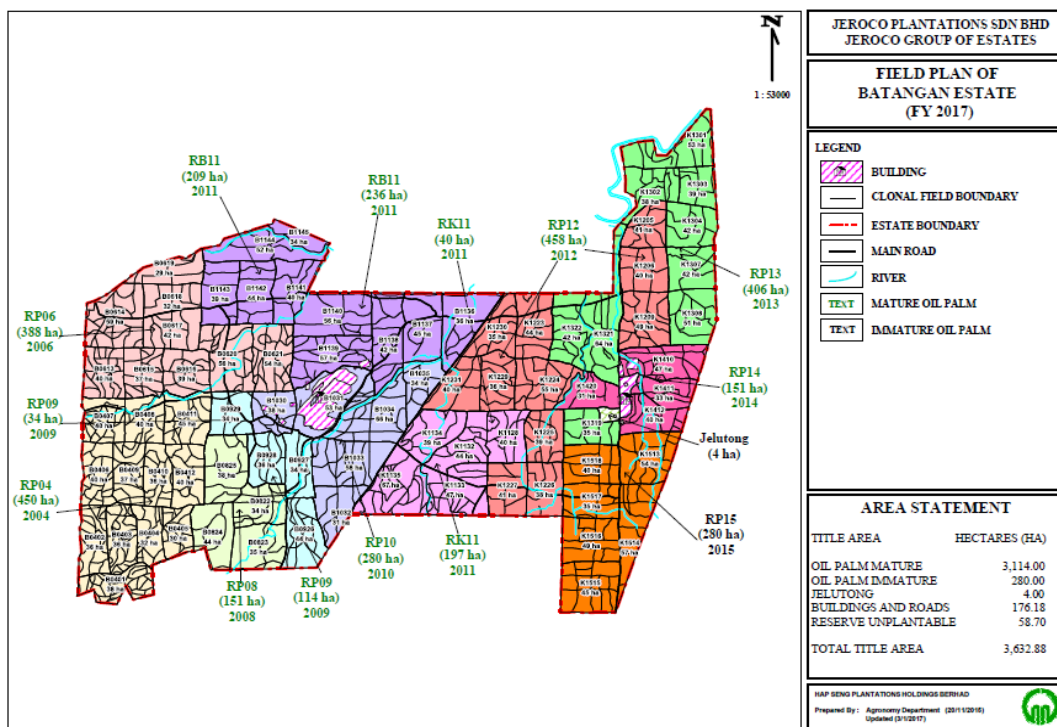
Certifying Unit: Plantations Central Office Group Estates

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## 3.4. Maps of Company Location and Plantations



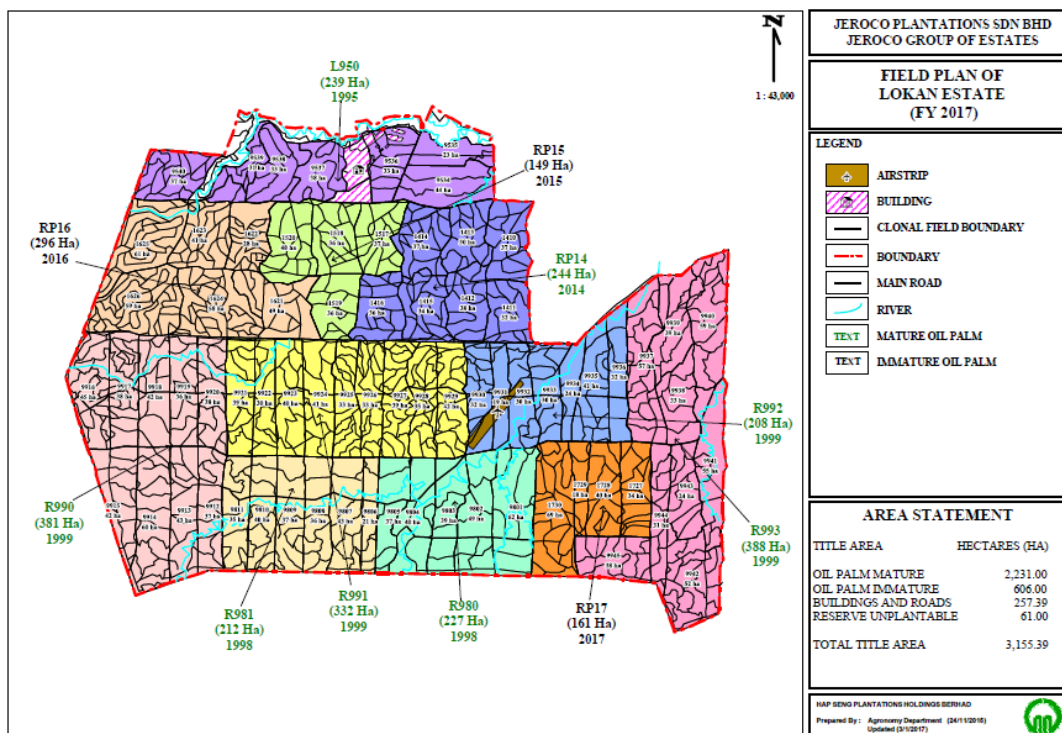
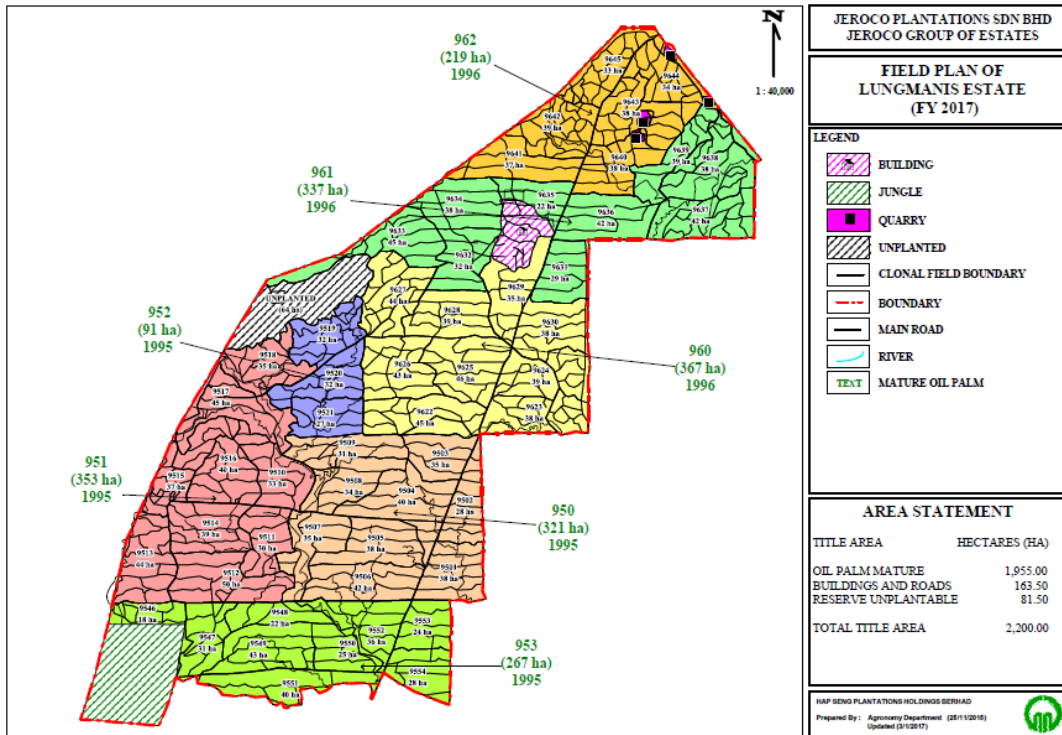
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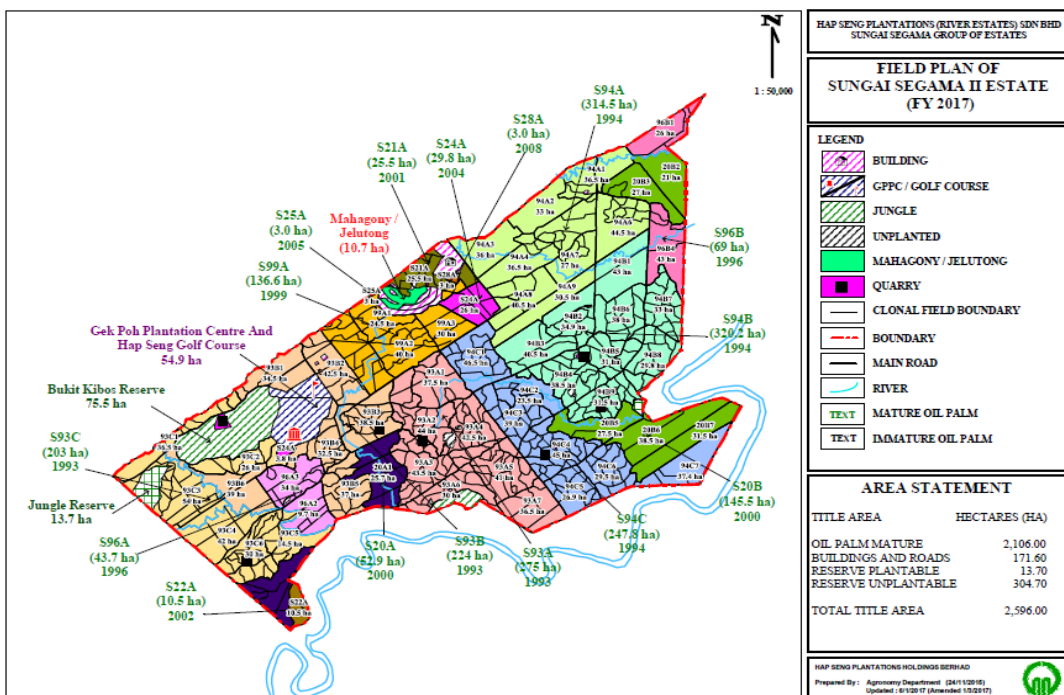
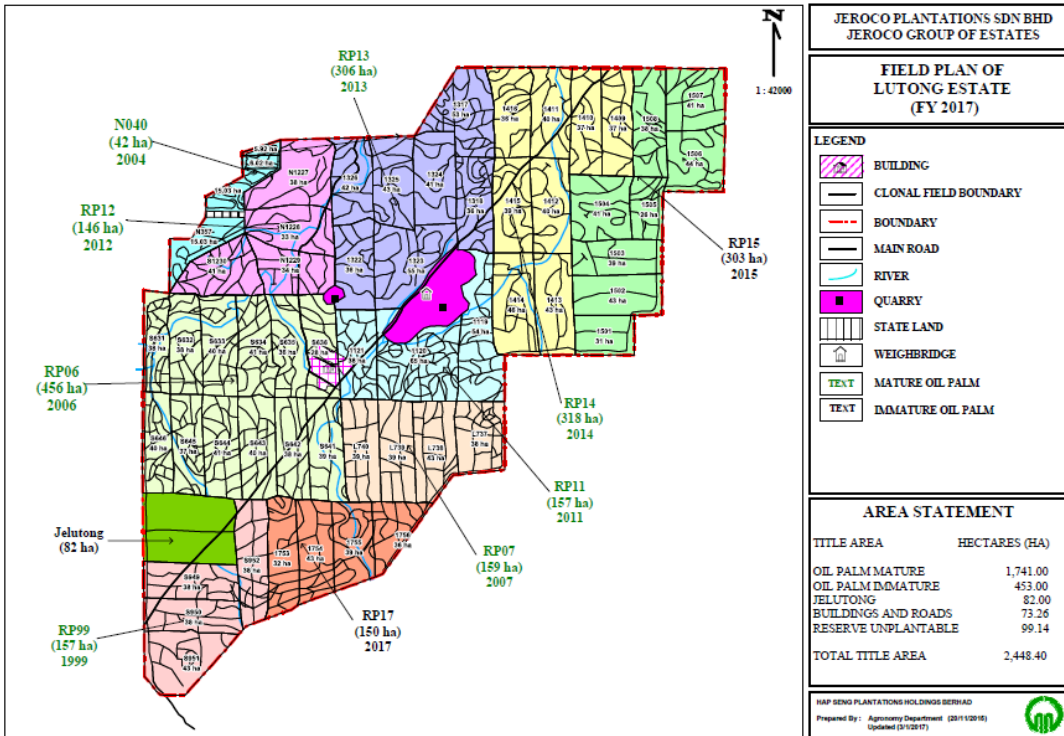
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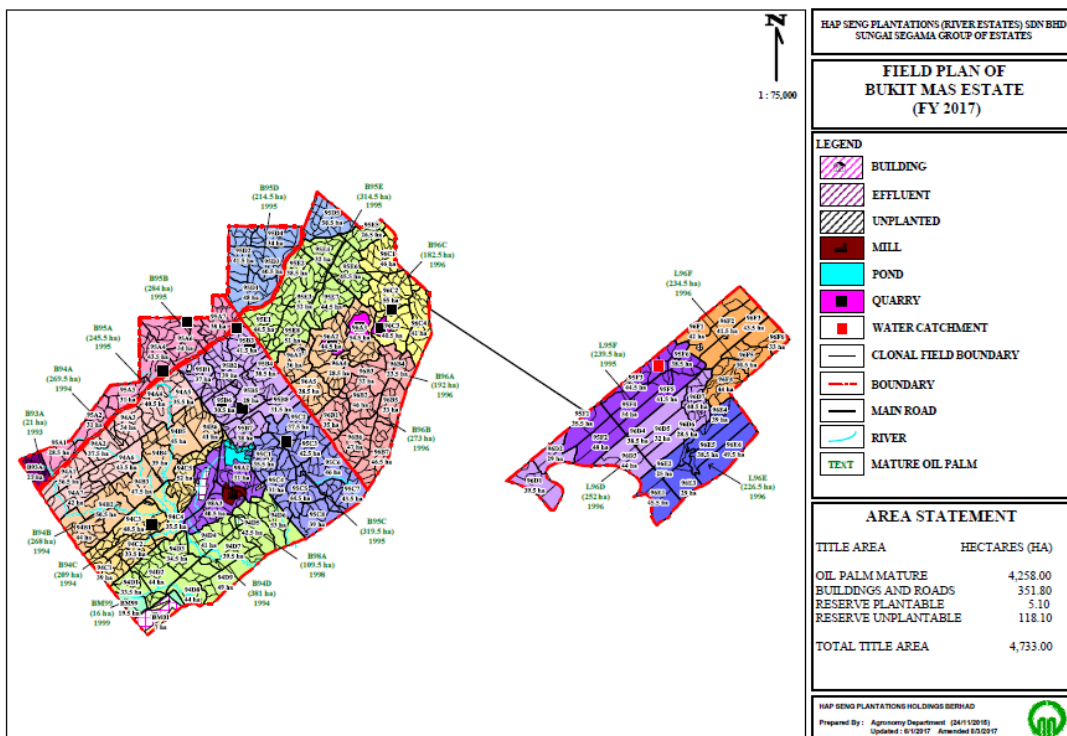
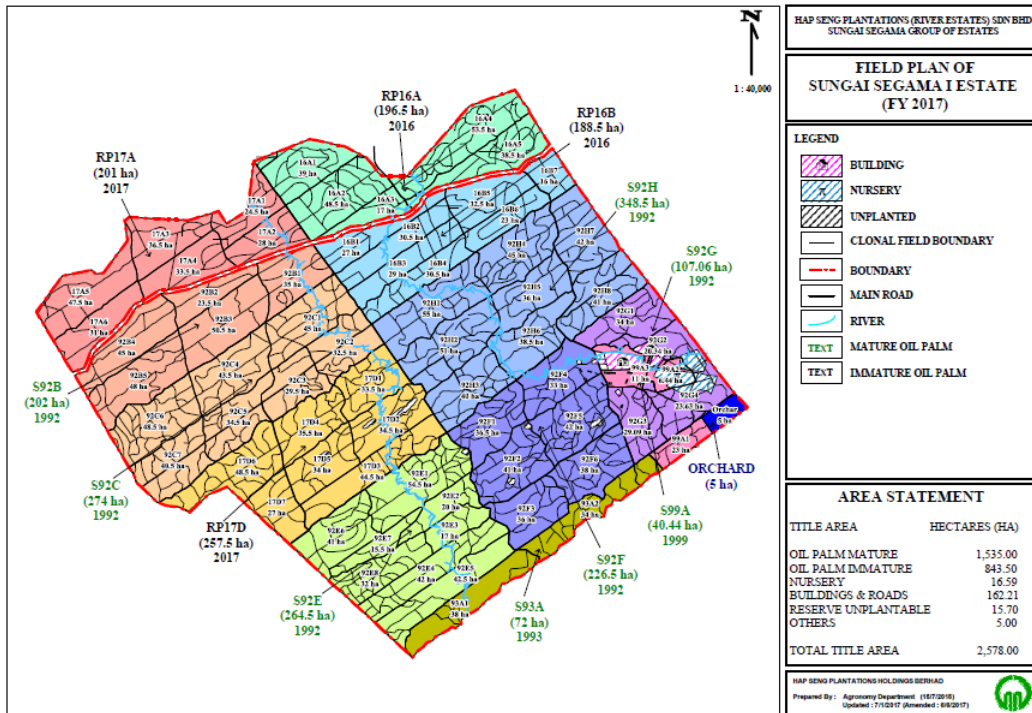
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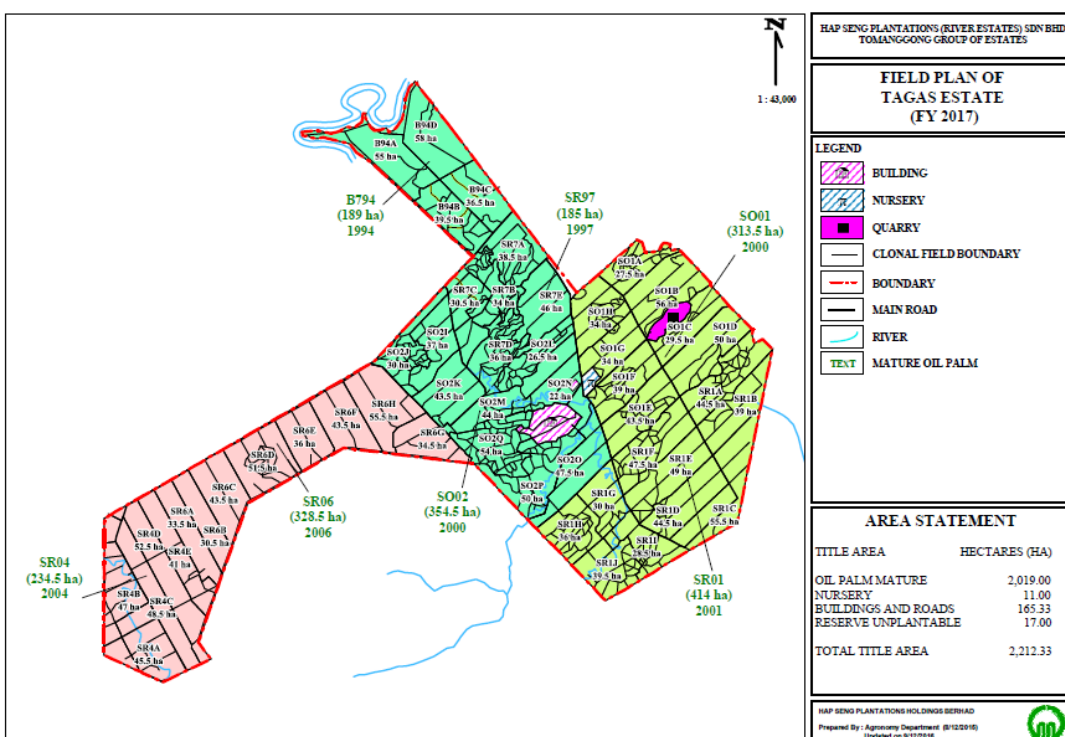
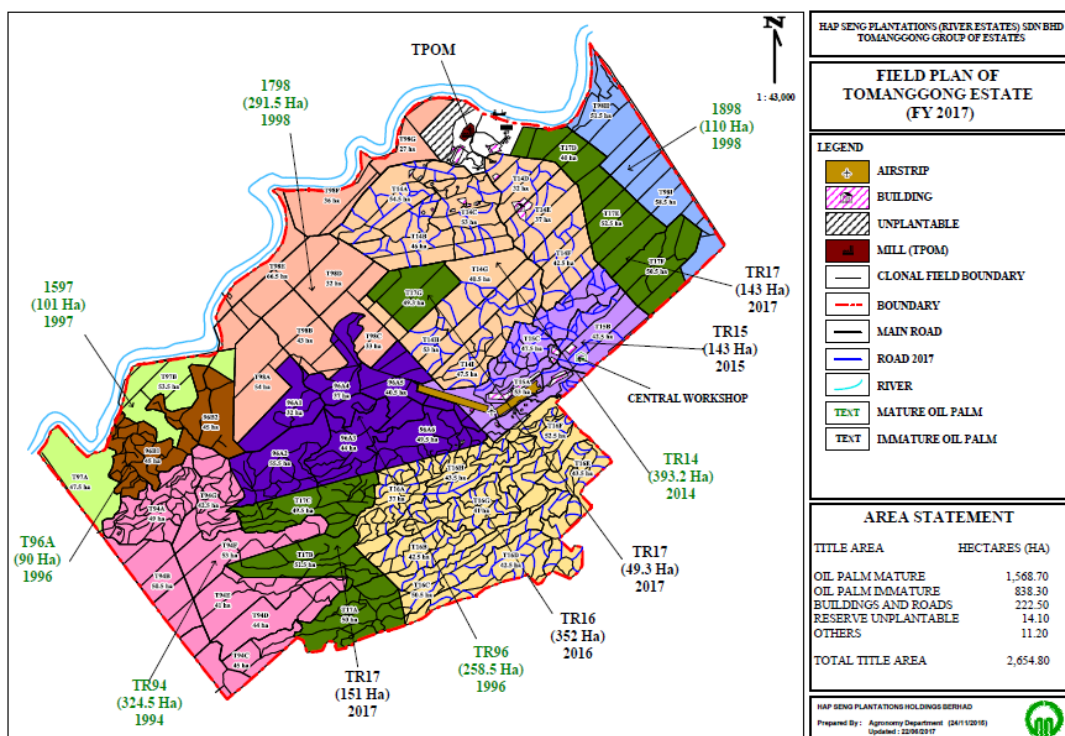
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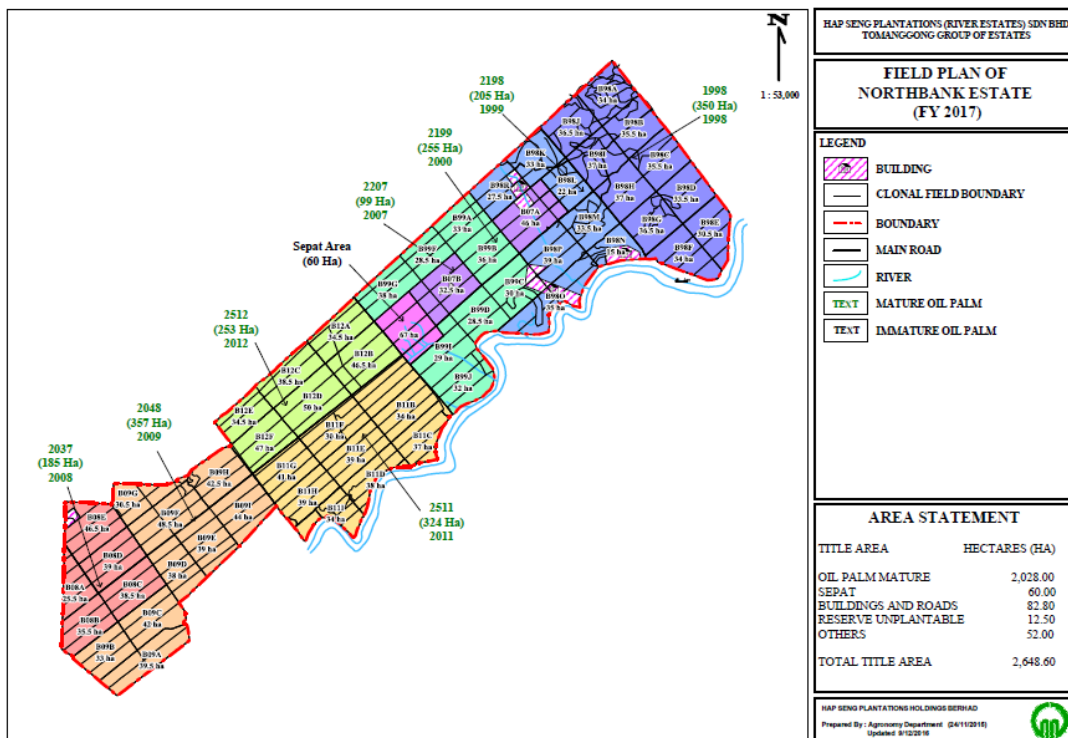
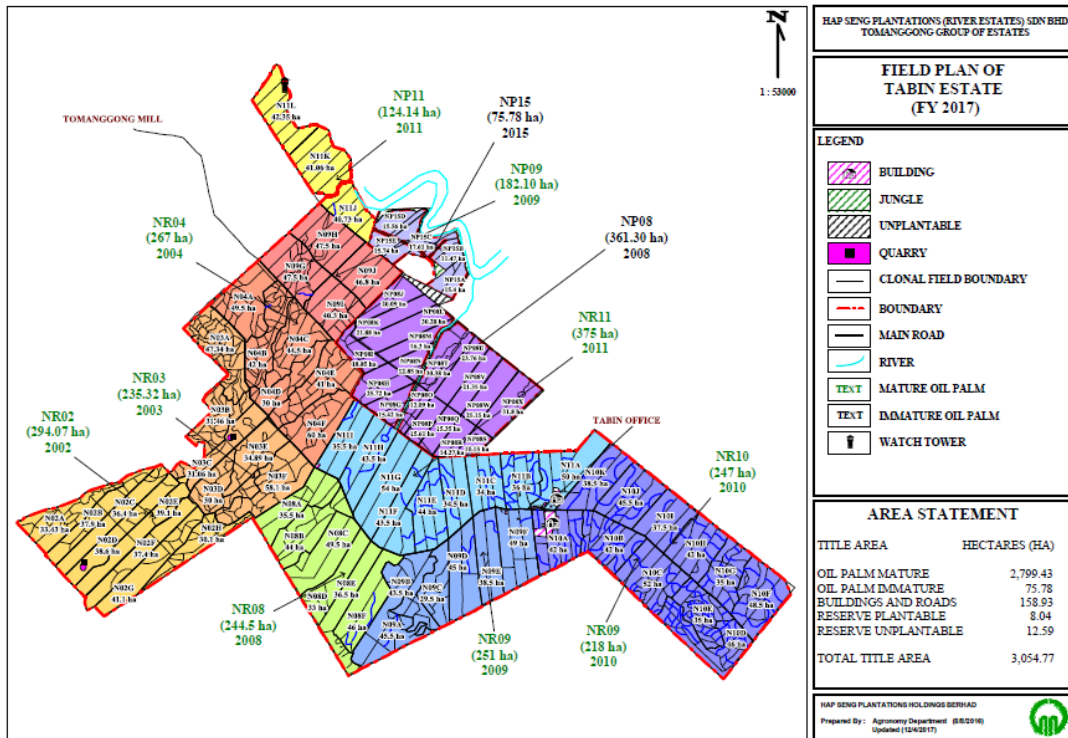
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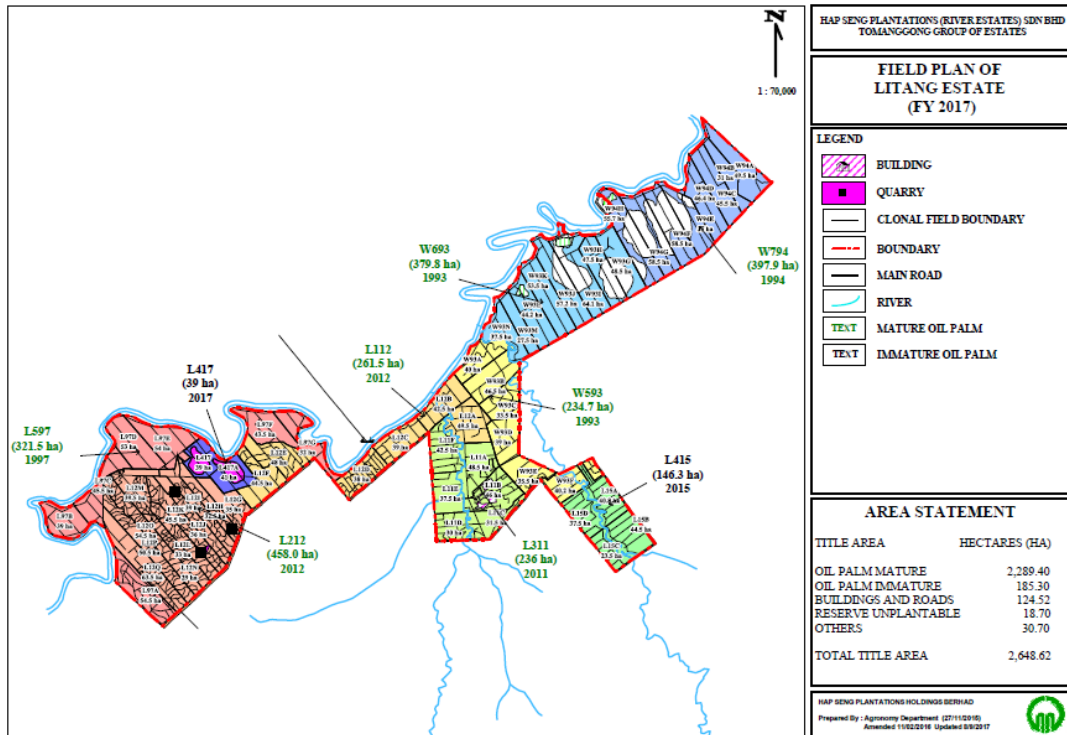
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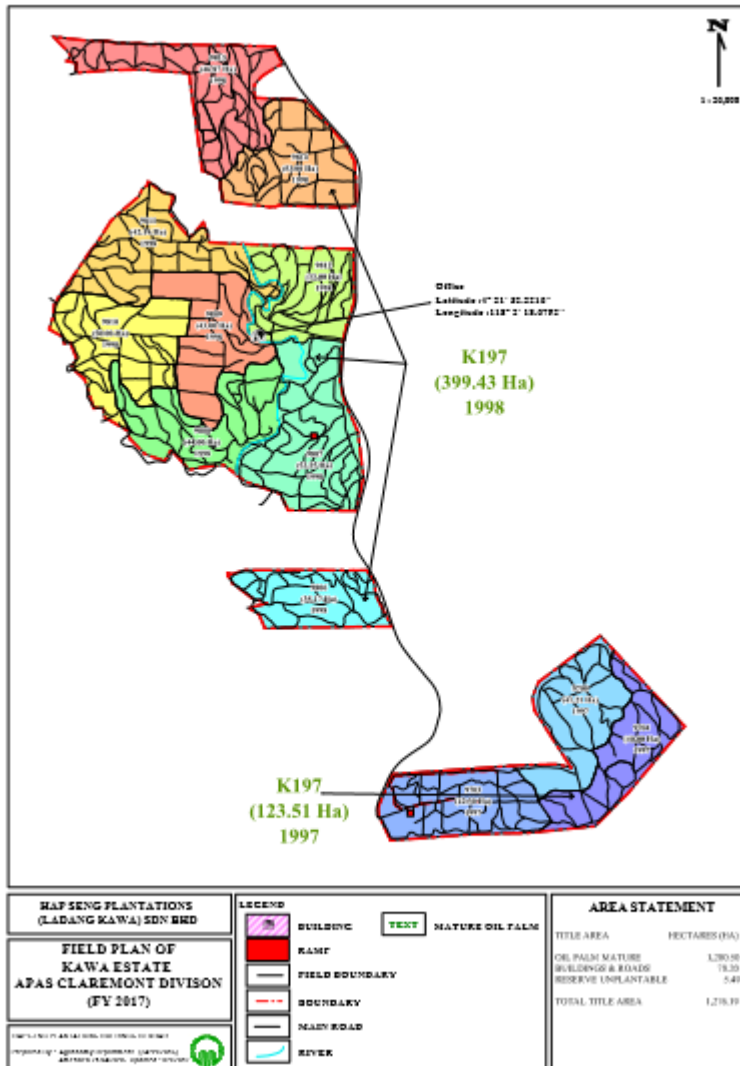
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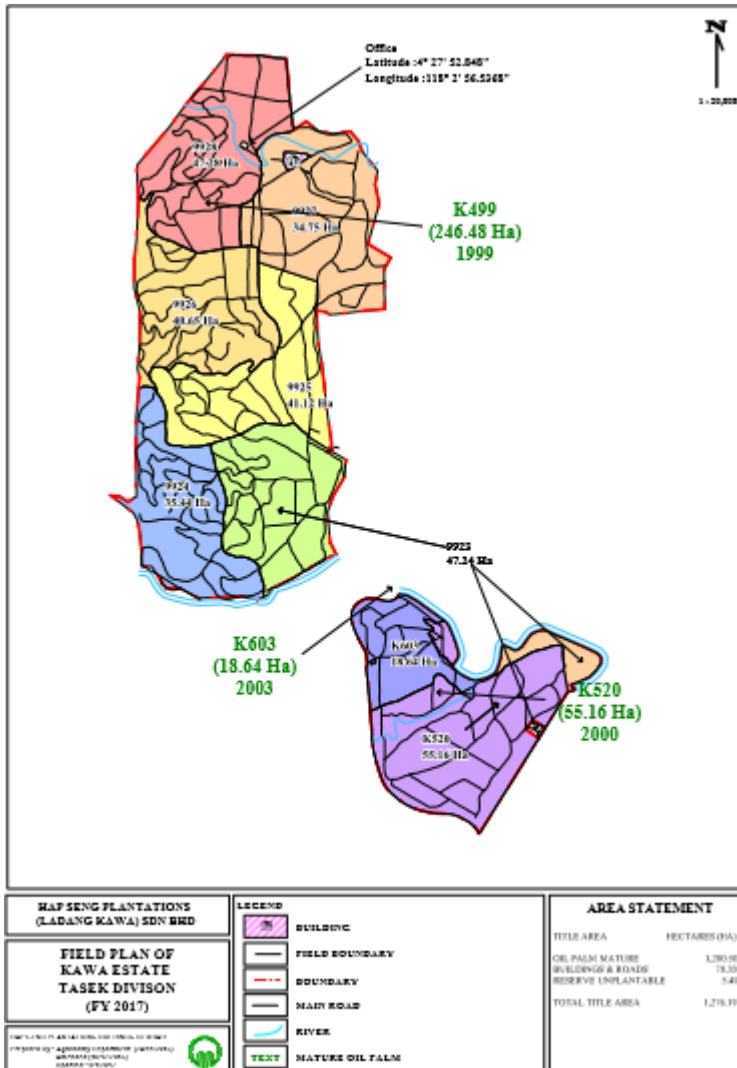
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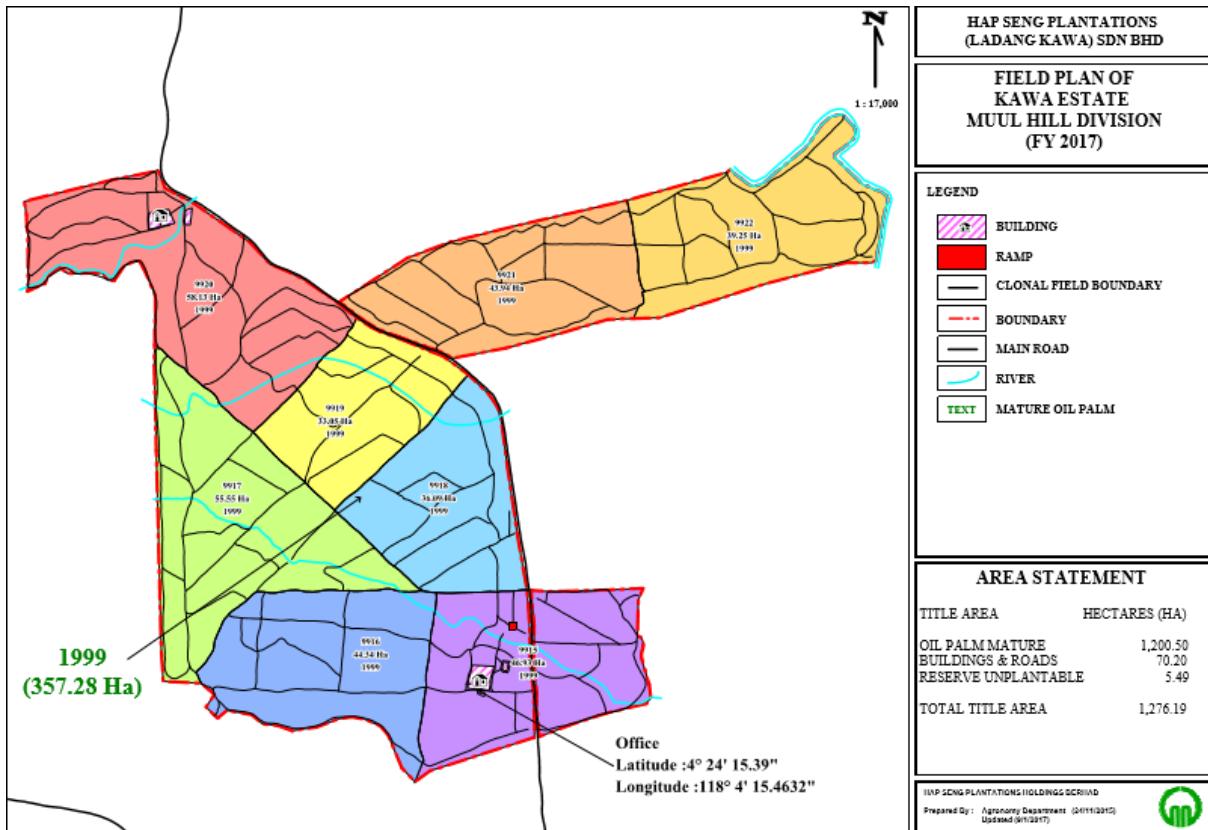
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### 4. CERTIFICATION ASSESSMENT

#### 4.1. ASA 02

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

##### 4.1.1. ASA 02:

The Surveillance 02 audit is conducted on 23/09/2019 to 28/09/2019 covering 5 selected estates – Batangan, Lutong, Tabin, Litang and Kawa.

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

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 21/08/2019 as to accommodate stakeholder's consultation meeting for HSPHB to provide comments. As at audit date on 23/09/2019 there are no comments received.

Invitation letters are sent on 21/08/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 23/09/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

1. Introduction of MSPO certification.
2. Development of oil palm plantations
3. Community service and support provided
4. Wildlife management and wildlife corridor
5. Type of wildlife sighted at the plantations and wildlife corridor.
6. Local communities' development.

The following relevant Principles & Criteria of the applied standard are discussed during the stakeholders' consultation:

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:  
The stakeholders could confirm they have attended meetings with the company on MSPO certification.
2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint  
The stakeholders' advice they are informed a logbook and form is available at the office to lodge any complaints or suggestions.
3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.

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The local communities could confirm the company has provide assistance and support to communities.

4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information

The contractors who provides maintenance and service could confirm they are briefing on MSPO requirements.

There is no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be addressed by the certified unit. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The list of stakeholders who attended the meeting refer to Table 7-1

Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Company as regards to the MSPO audit?	Stakeholder confirmed of MSPO audit via invitation letter received.	Positive comment
2	Social issues	Interview stakeholder is not local communities. Therefore, no input of this topic.	No action required.
3	Type of land title – Country Leased, Provisional Leased, Native title	Interview stakeholder is not local communities. Therefore, no input of this topic.	No action required.
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Interview stakeholder is not local communities. Therefore, no input of this topic.	No action required.
5	Does MSPO largely benefits the local community?	Interview stakeholder is not local communities. Therefore, no input of this topic.	No action required.
6	Environmental understanding	Stakeholder could demonstrate the environmental understanding.	Positive comment
7	Awareness towards species, habitats, and high conservation values	Stakeholder is aware towards the species, habitats and high conservation values on the surrounding estates.	Positive comment
8	Are there any plantation management practices that affect you?	Interview stakeholder is not local community. Therefore, no input on this topic.	No action required.

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholder confirmed Hap Seng group management complies to MSPO requirements	Positive comment
10	Do you have any suggestions for management?	No suggestion.	No action required.

### 4.3. Summary of Assessment

Principle and Criteria Assessment Summary
<p>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 criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below</p>

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Hap Seng Plantation Holdings Berhad (HSPHB) established MSPO Policy.</p> <p>The policy describes;</p> <ul style="list-style-type: none"> <li>• Management commitment and responsibility.</li> <li>• Transparency</li> <li>• Compliance to legal requirement</li> <li>• Social responsibility, health safety and employment conditions</li> <li>• Environmental, natural resources, biodiversity and ecosystem services</li> <li>• Best practice</li> <li>• Development of new planting.</li> </ul> <p>During interview, workers are able to provide some key understanding of MSPO policy.</p> <p>MSPO policy is publicly available at all estates notice boards.</p> <p>MSPO training policy conducted on 15/07/2019 at Batangan estate.</p>	Yes
4.1.1.2	<p>HSPHB is committed for continual improvement practice by harnessing its resources of people processes and technology in order to ensure the continuous production of oil palm products in a sustainable manner.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.2.1	<p>HSPHB established Internal Audit flow chart dated 20/08/2015. Latest revised on 01/03/2019.</p> <p>The flow chart describe the frequency of internal audit to be carried out once a year.</p> <p>The latest internal audit conducted at Tabin estate is on 15/07/2019 to 16/07/2019. There are 5 findings raised for MSPO requirements.</p> <p>The internal audit address the strong points and weakness points.</p>	Yes
4.1.2.2	<p>There are strength and weakness points identified in the internal audit</p> <p>Strong point: It was observed that Litang estate has completed a concrete building for chemical storage with proper storage of chemical and premix area.</p> <p>Weak point: Less awareness of recycle waste disposal among the workers.</p> <p>Potential area for improvements: Estate can improve further on the awareness of recycle waste disposal among the workers. To ensure before dispose rubbish they should segregating the recycle waste with non-recycle waste.</p> <p>Findings raised in the internal audit addressed with correction and corrective action plan.</p> <p>Example:</p> <p>Indicator 4.4.4 safety committee organization chart is not updated</p> <p>Corrective: To update the safety committee member accordingly.</p> <p>Corrective action plan: to update at yearly basis the safety chart whenever there are new members.</p>	Yes
4.1.2.3	<p>Internal audit findings and results are presented in the management review conducted on 19/07/2019.</p>	Yes
4.1.3.1	<p>The management review is conduct on 19/07/2019 after internal audit conducted on 04/07/2019. The management review frequency will be at least once a year.</p> <p>Management review agenda includes;</p> <ul style="list-style-type: none"> <li>- Follow up action from previous management review</li> <li>- SOPs</li> <li>- Policy</li> <li>- Internal audit</li> <li>- Change in legal requirements of any compliance</li> <li>- Complaints</li> <li>- Accident and injury</li> </ul>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>- Environmental quality</li> <li>- Waste management</li> <li>- Energy usage performance</li> <li>- Status of corrective actions</li> </ul>	
4.1.4.1	<p>HSPHB established continuous improvement plan with latest review on 09/09/2019.</p> <p>Latest updated on 09/09/2019.</p> <p>The CIP contents are environmental aspects, environmental impact action plan, continual improvement plan, responsibility, timeframe and remarks.</p> <ol style="list-style-type: none"> <li>1. Environmental continuous improvement plan</li> </ol> <p>Activity: Landfill</p> <p>Environmental impact: Breeding ground for houseflies and could cause health hazards.</p> <p>Improvement plan: Collection of domestic waste conducted regularly (2 to 3 times a week).</p> <ol style="list-style-type: none"> <li>2. Social continuous improvements plan</li> </ol> <p>Activity: In term of health risk, workers are exposed to heat during sunny day which can cause heat stress to the workers.</p> <p>Action plan: All workers who are working at replanting area will be provided with straw hat and a hut for shelter. This will help to reduce heat stress.</p> <p>Mitigation: Shelter hut are provided whenever there is replanting activity in estate.</p> <p>Continual improvement plan: Workers can directly inform the management if there is any issue arises at replanting area.</p> <p>Responsibility: Manager/Assistant manager</p> <p>Remarks: Monitor by estate management.</p>	Yes
4.1.4.2	<p>HSPHB establish flowchart as a system to improve practices in line with new information and techniques or new industry standards and technology dated 01/05/2018, where applicable, that are available and feasible for adoption.</p> <p>Example: New agricultural fertilizer &amp; agro-chemical procedure dated revision: 01/05/2018.</p>	Yes
4.1.4.3	<p>HSPHB establish flowchart as a system to improve practices in line with new information and techniques or new industry standards and technology dated 01/05/2018.</p> <p>An action plan to provide the necessary resources including training to implement the new techniques or new industry standard or technology has conducted.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	Example: Centralize new technology NUTAR 15 by Nufarm for the circle spraying in immature area conducted on 07/02/2018 to 09/02/2018 at Lutong Estate.	

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>HSPHB established stakeholders list updated 24/01/2019.</p> <p>Stakeholders listed as follows:</p> <ul style="list-style-type: none"> <li>• Government agencies.</li> <li>• Neighboring estates.</li> <li>• NGOs.</li> <li>• Suppliers</li> <li>• Local villages.</li> <li>• Internal stakeholders</li> <li>• Contractors</li> <li>• Consultant s</li> </ul> <p>HSPHB conducted stakeholders consultation "2019 6<sup>th</sup> for JGOE, SSGOE, TMGOE &amp; Kawa Estate on 29/04/2019.</p> <p>The meeting minutes include topics on social, environment, MSPO principle and legal matters.</p>	Yes
4.2.1.2	<p>List of publicly available documents reference HSPSB P1 1120(C) last updated on March 2017</p> <p>Example of documents publicly available:</p> <ol style="list-style-type: none"> <li>1) Annual surveillance report</li> <li>2) Environmental impact assessment</li> <li>3) Environmental compliance report</li> <li>4) Land titles</li> <li>5) Grievances book</li> </ol>	Yes
4.2.2.1	<p>HSPHB established SOP Stakeholders Consultation procedure document number HSPHB/AGRO/001 dated 30/11/2018.</p> <p>The procedure flow chart for the internal and external stakeholder complaint. Stated in</p> <p>The complaint procedure describe complaints to solve before 30 days.</p>	Yes



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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>HSPHB established procedure 'Memohon Maklumat Syarikat', Ref: HSPSB P1 1120 (C), dated 01/03/2017 applied by all estates and mills.</p> <p>The procedure describe::</p> <ul style="list-style-type: none"> <li>• Sebelum maklumat diserahkan kepada pemohon, borang permohonan maklumat perlulah diisi oleh pemohon. Borang permohonan maklumat (Lampiran 1).'</li> <li>• Sekiranya maklumat memerlukan rujukan daripada mana-mana jabatan-jabatan kerajaan, tindakan susulan mestilah diambil dalam masa tidak melebihi 3 hari dan dikemaskini sekurang-kurangnya seminggu sekali.'</li> </ul>	
4.2.2.2	<p>HSPHB appoints estate managers as person in-charge for stakeholder's consultation and communication dated 06/03/2019.</p>	Yes
4.2.2.3	<p>HSPHB established stakeholders consultation procedure document number HSPHB/AGRO/001 dated 30/11/2018.</p> <p>There are two categories of joint consultative committee meeting in HSPHB stated in the SOP:</p> <ol style="list-style-type: none"> <li>a) Stakeholders consultation at group level: Comprises of estate management, contractors, suppliers, government agencies, NGOs, local villagers and all affected parties.</li> <li>b) Stakeholder consultation at estate / mill level: Comprises of neighboring local villagers, neighboring smallholders, local contractors, gender committee, workers representative and all affected parties.</li> </ol> <p>HSPHB have the group stakeholder meeting conducted 2 years once and estate / mill level conducted once per year according to the records reviewed and interviewed with sustainability team.</p> <p>Sighted the group level stakeholder consultation meeting minutes 'JGOE, TMGOE &amp; SSGOE stakeholders consultation minutes' dated: 29/04/2019.</p>	Yes
4.2.3.1	<p>HSPHB established SOP traceability system document number SOP/COC/001, revision 03 updated 31/05/2018.</p> <p>Harvesting and loading of fresh fruit bunches document number SOP/COC/002 issue 03 dated of revision 31/05/2018.</p> <p>Stated in the SOP :</p> <ul style="list-style-type: none"> <li>• Harvesting of FFB</li> <li>• FFB in field checking by bunch checker.</li> <li>• Counter check bunch grading in the field</li> <li>• Loader will load the FFB from the platform to the tractor/truck.</li> <li>• Submission of bunch checking form to office.</li> </ul>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>Field conductor will check the bunch checking form.</li> </ul>	
4.2.3.2	<p>HSPHB established SOP traceability system document number SOP/COC/001, revision 03 updated 31/05/2018.</p> <p>Internal audit conducted as a mechanism to inspect the traceability system.</p> <p>Review on internal audit results, there are no findings raised on traceability.</p>	Yes
4.2.3.3	<p>HSPHB appoints estate assistant manager as person in charge for traceability to implement and maintain the traceability system.</p>	Yes
4.2.3.4	<p>Records of delivery are review to crosscheck on the traceability.</p> <p>Example:</p> <p>FFB delivery note dated 21/09/2019, Series No 46756.</p> <p>FFB weighbridge ticket: 057224,</p> <p>Stated in Jeroco Palm Oil Mill 1 weighbridge ticket:</p> <p>a) Estate name: Lutong Estate</p> <p>b) Vehicle number: ST 1873 X</p> <p>c) Delivery note number: 46756</p> <p>All the stated information can be trace to Lutong Estate FFB delivery chit.</p> <p>All supply chain related documents shall be kept in the respective palm oil mill for minimum of five years.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>HSPHB established list of applicable permits and licenses for all estates.</p> <p>Example:</p> <p>MPOB License number: 501773702000</p> <p>Validity: 01/04/2019 – 31/03/2020.</p> <p>Trading Register number: R26604/98.</p> <p>License end at: 31/12/2019</p> <p>Permit barang kawalan berjadual.</p> <p>No rujukan: KPDKKK.LDT. 900.3/1</p> <p>Diesel quantity: 72,000 liter, Petrol quantity 1000 liter.</p> <p>Validity: 20/02/2019 to 21/02/2020</p>	Yes
4.3.1.2	<p>HSPHB established legal register for group of estates and mills with latest review on 01/06/2019.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<p>Occupational Safety and Health Act 1994 (act 514)</p> <ul style="list-style-type: none"> <li>- Occupational safety and health (prohibition use of substance) order 1999</li> </ul> <p>Pesticides Act 1974 (Act 149) and Regulation</p> <ul style="list-style-type: none"> <li>- Pesticides Act highly toxic pesticide Regulation 1996</li> </ul> <p>Sabah Environment Protection Enactment 2002</p> <ul style="list-style-type: none"> <li>- Sabah Environment Protection Enactment (Prescribe Activity) (Environmental Impact Assessment) Order 2005.</li> </ul> <p>Environment Quality Act 1974 (act 127)</p> <ul style="list-style-type: none"> <li>- Environmental Quality (control of emission from diesel engines) Regulation 1996</li> </ul>	
4.3.1.3	<p>HSPHB established legal register 2019 with latest update on 01/06/2019.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Minimum Wages Order 2018: 01/01/2019</li> <li>2. Social Security Organization Act 1969 (Act 4) – SOCSO foreign workers coverage: 01/01/2019.</li> <li>3. Occupational Safety and Health (Noise exposure) Regulation 2019: 01/06/2019.</li> </ol>	Yes
4.3.1.4	<p>HSPHB appointed person in charge of compliance legal requirement for all group of estates.</p> <p>Example:</p> <p>Appointment letter dated 22/04/2019 for Batangan estate</p> <p>PIC: Estate assistant manager.</p> <p>To monitor compliance and to track and update the changes in regulatory requirements.</p>	Yes
4.3.2.1	<p>HSPHB land titles are country lease, native and provisional lease issued by Director of Lands and Surveys, Sabah</p> <p>Land usage: Cultivation of agricultural crops of economic value.</p>	Yes
4.3.2.2	<p>HSPHB land titles are country lease, native and provisional lease issued by Director of Lands and Surveys, Sabah.</p> <p>Period of land title is from 01/01/1980 to 31/12/2078.</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>Site verification on boundary stone is well maintained.</p> <p>GPS coordinate is crosscheck with the land title and map.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.2.4	HSPHB land titles are issued by Director of Lands and Surveys Sabah. Therefore, no disputes or FPIC required.	Yes
4.3.3.1	HSPHB land titles are country leased, native and provisional leased issued by Director of Lands and Surveys, Sabah.  The period of usage for native titles are stated in the sub-leased agreements for native titles are duly signed with the respective owners..	Yes
4.3.3.2	HSPHB land titles are country leased, native and provisional leased issued by Director of Lands and Surveys, Sabah.  The sub-leased native titles include map with the size and location.	Yes
4.3.3.3	HSPHB land titles are country leased, native and provisional leased issued by Director of Lands and Surveys, Sabah.  A sub-leased agreement for the usage of native titles are duly agreed and signed with the respective owners. Therefore, negotiation is on a willing lesser and lessor arrangement. Therefore, no FPIC required.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	HSPHB established SIA includes information from the survey and meeting feedback from the internal and external stakeholders.  The SIA established in group category as below: <ol style="list-style-type: none"> <li>1. SIA Tomanggong group of estate and Tomanggong Palm Oil Mill, date of report 09/09/2019.</li> <li>2. SIA Jeroco group of estates and Jeroco Palm Oil Mill 1 &amp; 2, date of review 26/06/2019.</li> <li>3. SIA Sg. Segama Group of estates and Bukit Mas Palm Oil Mill, date of review 01/03/2019.</li> <li>4. SIA Hap Seng Plantations (Ladang Kawa) Sdn Bhd &amp; Hap Seng Estate.</li> </ol> The SIA includes a summary of positive and negative impacts. The action and implementation is the responsibility of the estate manager  The positive impacts are continuously promoted while negative impacts are mitigated and include in CIP for monitoring.  The SIA will be reviewed once a year with feedback from the stakeholders.	Yes
4.4.2.1	HSPHB established Complaint and Grievance procedure dated 31/03/2018.  The procedure states the complaint to be resolved within 30 days from the date of receive.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	The complaint form is available at the estates office and the procedure is displayed at the notice board.	
4.4.2.2	HSPHB has complaint form available in the estates office. Complaint record is review, no complaint lodged in all estates as at audit date. On-site interview with workers confirmed there is only maintenance request lodged and resolved in timely manner.	Yes
4.4.2.3	Complaint form and complaint logbook are available at estate offices that can be accessed by all workers and stakeholders.	Yes
4.4.2.4	External stakeholders briefed on complaint and grievance procedure on group stakeholder meeting conducted on 29/04/2019. HSPHB estate workers briefed during morning muster. Briefing record for complaint and grievance procedure sighted. Example: <ol style="list-style-type: none"> <li>1. Batangan estate workers briefed on 17/09/2019.</li> <li>2. Lutong estate workers briefed on 20/09/2019.</li> <li>3. Tabin estate workers briefed on 02/01/2019 and 18/07/2019.</li> </ol> The complaint form and complaint logbook are located at estate offices. During site interview with workers they understood the process and aware the complaint can make any time when required.	Yes
4.4.2.5	Complaint logbook is review for estates, there are no complaints lodged as at audit date besides housing maintenance request.	Yes
4.4.3.1	HSPHB has commitment to local development. Example: <ol style="list-style-type: none"> <li>1. Provide job opportunities to the local community.</li> <li>2. Assist and support the independent smallholders and out-growers in obtaining RSPO and MSPO certification.</li> </ol>	Yes
4.4.4.1	PCO adopted the Group Safety and Health policy dated 01/04/2015 signed by Chief Executive Group Plantations The policy statement is to ensure and promote a harmonious, safe and healthy work environment for all its employees. The policy is display at estate office and workers quarters and operational areas notice boards.	Yes
4.4.4.2	a The safety and health policy is made available at notice boards located at main office, workshops and stores. Workers are briefed on the policy during morning muster.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
b	<p>Risk Assessment for estate operations established dated 02/08/2019 include all relevant field activities.</p> <p>The HIRARC table include activity, hazards, Cause or effect, existing control, risk analysis (likelihood, severity, risk rating), Recommended Control Measures, PIC (due date/status) and remarks.</p> <p>Example of risk assessment assessed:</p> <p>Activity: Walking distance during Harvesting</p> <p>Hazard: Fall down due to vehicle accident</p> <p>Risk: 12 (Medium)</p> <p>Existing: Safety helmet, safety belt, road safety signage, safety awareness</p> <p>Recommended control measure: Road safety training, speed limit control (road hump, speed limit signage), improve road condition by frequent road maintenance.</p>	
c i	Record of safety training for chemical handling conducted to workers on 12/09/2019.	
c ii	<p>SDS are available at storage facilities of chemicals, fertilisers and workshops.</p> <p>Chemical and fertilisers are in original label packaging and stored in proper storage facilities with sufficient ventilations.</p>	
d	Workers are provided with appropriate Personnel Protective Equipment (PPE) according to HIRARC and CHRA recommendations on the activity.	
e	<p>HPSHB established Safe and Standard Operating Procedure (SSOP) for Chemical Handling Management with revision on 01/01/2019.</p> <p>The content of procedure listed as below:-</p> <ol style="list-style-type: none"> <li>1. Chapter 2, Menabur Baja</li> <li>2. Chapter 4, Masuk Semula Ladang yang Terdedah kepada Racun</li> <li>3. Chapter 5, Penyemburan Racun Rumpai</li> <li>4. Chapter 7, Pemindahan Racun Siap Bancuh ke Ladang</li> <li>5. Chapter 9, Kerja mencampur Racun Rumpai</li> <li>6. Chapter 14, Penghantaran dan Pengendalian FFB/Racun/Baja</li> <li>7. Chapter 19, Stor Baja dan Karung Baja</li> <li>8. Chapter 21, Trunk injection</li> </ol>	

## MSP0 Certification Summary Report

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	9. Chapter 25, Stor Bahan Kimia	
f	HSPHB appoints the estate managers as the site person coordinating safety and health activities supported by the group safety and health executive.	
g	HSPHB estates conducted OSH meeting on a quarterly basis in compliance to DOSH requirements. An OSH committee is established for each estate represented by both management and workers representative. Example: Latest meeting held at Litang estate on 20/09/2019. The meeting agenda includes following: <ol style="list-style-type: none"> <li>1. Work safety, PPE, harvesting, handling chemicals and accidents / injuries.</li> <li>2. Reporting of any accidents or incidents</li> </ol>	
h	Emergency Response Plan Procedure dated 02/05/2019 is established for all estates and operating areas and display at the notice boards. A flowchart describing the steps with emergency contact details included.	
i	First aid training conducted on 18/05/2019 attended by assigned first aider for all estates and other operation areas. List of first aiders are display at estates office notice boards. First aid kits are available at stores, office and harvesting, manuring, and chemical spraying activities.	
j	Estates established individual record book for monitoring of accidents and incidents. The records are reviewed with no incidents of more than 4 days medical leave. Annual report of 2018 to DOSH is reviewed for the audited estates. Sighted annual accident reporting through	
4.4.5.1	HSPHB established Human Right policy dated 01/10/2016 signed by Chief Executive – Group Plantations. The policy states 'Respect and support the universal declaration of human rights by the united nations for all works, contractors, indigenous people, local communities and anyone affected by our operations.' The policy is available in English and Bahasa Malaysia language and displayed at estates notice board.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Group stakeholders meeting conducted on 29/04/2019 include briefing on the company policies.</p> <p>Company policies training is conducted for estate workers.</p> <p>Example: Batangan estate on 20/09/2019</p> <p>During site interview with workers, they are aware of the policy.</p>	
4.4.5.2	<p>HSPHB established Equal Opportunity Policy dated 01/03/2019.</p> <p>The policy states shall ensure the hiring, remuneration, access to training, promotion, termination or retirement will be implement based on business needs, job requirements and individual qualifications regardless to race, religion, gender, ethnic origin, social class, caste, national origin, affiliation or any other distinguishing characteristic.</p> <p>The policy is display on notice boards.</p> <p>Site interviewed with workers indicates they are aware of the policy and feedback equal opportunity provided to all workers.</p>	Yes
4.4.5.3	<p>HSPHB established working contract 'Butir- Butir Peribadi Pekerja' for workers in accordance to Sabah Labour Ordinance.</p> <p>The working contract includes the worker job type, daily pay rate, working hours, rest day, annual leave and others.</p> <p>The working contract states the pay rate of RM 42.31/ day in accordance to Minimum Wage Order 2018.</p> <p>The working contract is available in Bahasa Malaysia language and understandable by the Indonesian workers.</p> <p>The payslip review indicate the workers' pay was above RM1,100 as per stated Minimum Wage Order 2018.</p> <p>Worker's pay deduction on items as per work contract is in accordance to JTK Permit Potongan Daripada Gaji Pekerja Seksyen 113(4) Ordinance Buruh.</p> <p>Example: Potongan bayaran bekalan elektrik.</p> <p>Sighted JTK permit for deductible items allowable</p> <p><b>Major NC</b></p> <p><b>During review of workers pay slip, contract and check roll found:</b></p> <p><b>1. Lutong estate: Genset operator worker continuous working from April to August 2019 including weekday and public holiday.</b></p> <p><b>This against the working contract one rest day per week and;</b></p> <p><b>Sabah Labour Ordinance Cap 67:</b></p> <p><b>i) 104 (1) Except as provided in this section, an employee shall</b></p>	Major NC 1



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p><b>not be required under his contract of service to work— (d) more than forty-eight hours in one week.</b></p> <p><b>i) 105B. Every employee shall be allowed in each week a rest day of one whole day as may be determined from time to time by the employer, and where an employee is allowed more than one rest day in a week, the last of such rest days shall be the rest day for the purposes of this Chapter</b></p> <p><b>2. Litang estate: Upkeep female worker has maternity leave according to leave authorisation stated the maternity leave is on period of 02/04/2019 to 31/05/2019 and commence work on 01/06/2019.</b></p> <p><b>The working contract states ‘Cuti Bersalin Bergaji – 60 hari berturut –turut mengikut ordinance’. However, maternity leave is yet paid as the claim of maternity benefit prepared by clerk and Memorandum is submit for upkeep female worker claim on 20/09/2019.</b></p> <p><b>Sabah Labour Ordinance Cap 67:</b></p> <p><b>i) 85. Payment of maternity allowance - The maternity allowance referred to in section 84 and accruing in each wage period under the contract of service of the female employee shall be paid in the same manner as if such allowance were wages earned during such wage period as provided in section 108.</b></p> <p><b>ii) 108. (1) The wages of an employee shall be paid not later than seven days after the expiration of the wage period in respect of which they are due.</b></p>	
4.4.5.4	<p>HSBPH estates only engage replanting contractor. The estates monitor contractor workers wage using the payment voucher to workers.</p> <p>Records are kept in the office and wages paid in line with Minimum Wage Order 2018.</p>	Yes
4.4.5.5	<p>HSBPH established list workers includes worker name, gender, date of birth, date joined, type of work, wages and nationality.</p> <p>Document review and site interview confirmed all workers are permanent employed.</p>	Yes
4.4.5.6	<p>HSPHB established working contract for each worker recruited.</p> <p>The management provides fair contract signed by both parties.</p> <p>The worker is briefed on the working contract contents before signed.</p> <p>During site interview with workers confirmed they are briefed on the contract content and received a copy after signed.</p>	Yes
4.4.5.7	<p>HSPHB established ‘Working hours’ and displayed at notice board of all estates.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The working hours for estate starts from 5:30 am to 1:30 pm with rest time from 10:30 am to 11:00 am.</p> <p>Workers time recording via morning muster check roll.</p> <p>Working hours and overtime stated in working contract. Overtime rate according to Sabah Labour Ordinance requirements 1.5 times daily rate for normal overtime and 2.0 times daily rate for rest day and public holidays.</p> <p>Training record sighted workers are briefed on morning muster for working hours, wages and others.</p> <p>Example: Tabin estate conduct briefing on wages and working hours at morning muster dated 20/03/2019.</p>	
4.4.5.8	<p>HSPHB established 'Working hours' and displayed at the notice board of all estates.</p> <p>The working hours for estate starts from 5:30 am to 1:30 pm with rest time from 10:30 am to 11:00 am.</p> <p>Reviewed of the pay slip and working contract of workers for working hours and OT comply with legal regulations.</p> <p>During field visit, workers feedback they understand the working hours and overtime time. Worker confirmed the wage paid is in line with legal requirements.</p>	Yes
4.4.5.9	<p>Wages are documented in the payslip based on input from the check roll.</p> <p>For any overtime, require approval from the management.</p> <p>Sighted the pay slip and check roll, working on rest day is paid on 2.0 times of normal rate.</p>	Yes
4.4.5.10	<p>HSPHB provides harvesting incentives, medical, housing, water and, electricity.</p> <p>HSPHB provide free milk powder for workers children at the estates crèche.</p>	Yes
4.4.5.11	<p>HSPSB adopted the industry best practices for housing.</p> <p>Amenities provided are water, electricity, chapel, surau, gardening area and location for rearing chicken.</p>	Yes
4.4.5.12	<p>Sexual harassment, violence and abuse policy is established dated 20/11/2017 and display at estates notice boards.</p> <p>The policy briefing is conducted on morning muster and Gender Committee meeting.</p> <p>All estates have form the Gender Committee involved female staff and workers.</p> <p>Example:</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Tabin estate briefed the sexual harassment, violence and abuse policy at morning muster dated 23/09/2019.</p> <p>Tabin gender committee meeting has briefed on the company policies and reporting process on 30/04/2019.</p> <p>Complaint and grievance records of all estates is reviewed no complaint lodged on the related issue as at audit date.</p>	
4.4.5.13	<p>HSPHB established Freedom of Association and Right to collective bargaining policy dated 01/03/2019 include the statement "Recognize and respect the rights of employees to join trade unions of their choice and bargain collectively subject to the provisions of relevant national legislation.</p> <p>Workers are briefed on the policy on morning muster.</p> <p>Example: Tabin estate conducted policies briefing on 17/08/2019.</p> <p>JCC meeting is conducted in all estates as a two-way communication tool between estate and workers.</p> <p>Example of JCC meeting:</p> <p>Lutong estate conducted JCC meeting involved estate management, and worker representative dated 28/03/2019.</p> <p>Worker interview understood the policy.</p>	Yes
4.4.5.14	<p>HSPHB Child labour Policy dated 02/01/2017 and Sustainable Agriculture Policy dated 15/08/2019 states shall not employ or promote the use of child labour.</p> <p>The policy is briefed to workers at morning muster.</p> <p>Onsite interviews with workers and working contract review confirmed all workers joined the company at age of 18 and above.</p>	Yes
4.4.6.1	<p>HSPB had established training and briefing plan for year 2019 and it is subject to be review on yearly basis. Training records available for following:-</p> <ol style="list-style-type: none"> <li>i. Training / briefing summary report</li> <li>ii. Training / briefing material</li> <li>iii. Training / briefing photos</li> <li>iv. Training attendance</li> </ol> <p>Example of training / briefing conducted :</p> <ul style="list-style-type: none"> <li>- First aid on 19/09/2019</li> <li>- Fire drill and emergency on 28/052/2019</li> </ul>	Yes
4.4.6.2	<p>Training provided based on the respective work activity or job description of the worker.</p>	Yes

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<b>Principle 4: Social Responsibility, health, safety and employment conditions</b>		
Indicator	Summary of Assessment	Compliance
	<p>Example :</p> <p>Training: Safe procedure and environmental - housing gen-set</p> <p>Target group: Gen-set operator</p> <p>Training date: 26/07/2019</p> <p>Training: SSOP for Driver</p> <p>Target group: All drivers for heavy and light vehicle, lorry and farm tractor</p> <p>Training date: 07/02/2019</p>	
4.4.6.3	<p>HSPB established training and briefing plan for year 2019 and it is subject to review on yearly basis.</p> <p>The established training and briefing plan for all staffs and workers.</p>	Yes

<b>Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>HSPSB establish Environmental Impact Assessment Management Action Plan.</p> <p>Jeroco Group of Estates dated 26/06/2019 Tomanggong Group of Estates dated 09/09/2019 and Kawa estate dated 01/03/2019.</p> <p>An environmental policy dated 15/11/2018 signed by the Chief Executive Plantation Group.</p> <p>The policy states committed to protect environmentally and conserve biodiversity for future generations and complying with all relevant environmental legislations of the country.</p> <p>Example: Environmental Quality Act 1974 (Act 127)</p> <p>The plan includes the activities, environmental aspects, environmental impacts, actions plan, CIP, timeframe, responsibility, and remarks.</p> <p>Example:</p> <p>Activities: Workshop &amp; scheduled waste store</p> <p>Environmental aspects: Scheduled waste</p> <p>Environmental impacts: Negative impacts, accidental spillage of spent oil causes pollution to soil and waterways.</p> <p>Actions plan: Containment trays are used to contain any leaking oil during vehicle repair or servicing.</p> <p>CIP: To continue regular cleaning of oil traps.</p> <p>Responsibility: Estate Manager/Assistant Manager</p> <p>Timeframe: Continually implementation</p>	Yes

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Company Name: Hap Seng Plantations (River estate) Sdn Bhd

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Principle 5: Environment, natural resources, biodiversity and ecosystem services								
Indicator	Summary of Assessment	Compliance						
	<p>Remarks: Environmental Quality (Scheduled Wastes) Regulation 2005.</p> <p>Interview with workers, they have good understanding of environmental issue and policy.</p> <p>The policy is available at the office notice boards and workers housing.</p>							
4.5.1.2	<p>a</p> <p>Environmental policy established dated 15/11/2018 sign by Chief Executive Group Plantations.</p> <p>The policy describes HSPHB committed to protect environmentally and conserve biodiversity for future generations.</p> <p>The objectives of the environmental management and monitoring plan are:</p> <ol style="list-style-type: none"> <li>1. To identify and determine the key environmental impacts result from the activities.</li> <li>2. To ensure continuous awareness of the need to check and monitoring key environmental components for JGOE</li> <li>3. To protect the environment of JGOE from neglect, mismanagement, and irresponsible activities during re-planting, established and operated.</li> <li>4. To ensure conformation to all activities are within the Laws, Acts and legislation on State and Nation.</li> </ol>	Yes						
	<p>b</p> <p>HSPHB established Environmental Impact Assessment Management Action Plans and CIP dated of October 2012 and review 2nd cycle report 26/06/2019 for Jeroco Group of Estates, Tomanggong Group of Estates, Sungai Segama group of estate and Kawa estate.</p> <p>Example of activity:</p> <p>Harvesting, manuring, spraying, pest infestation, transportation EFB/FFB/workers, office work, replanting operation, workshop and scheduled waste store, chemical and fertilizer store, diesel tank, generator house, housing area, landfill, scrap metal, HCV.</p> <p>Identification of Activities and Environmental Aspects has stated on activities and impact aspect on all groups of estates:</p> <p>Appendix 4: EIA, Management actions plans and CIP for Jeroco Group of Estates.</p> <p>The EIA includes a table:</p> <p>Example:</p> <table border="1"> <thead> <tr> <th>Activities</th> <th>Environmental aspects</th> <th>Environmental impacts</th> </tr> </thead> <tbody> <tr> <td>Landfill</td> <td>Disposal of domestic wastes</td> <td>Negative impacts of contamination</td> </tr> </tbody> </table>	Activities	Environmental aspects	Environmental impacts	Landfill	Disposal of domestic wastes	Negative impacts of contamination	Yes
Activities	Environmental aspects	Environmental impacts						
Landfill	Disposal of domestic wastes	Negative impacts of contamination						

## MSPO Certification Summary Report

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Principle 5: Environment, natural resources, biodiversity and ecosystem services								
Indicator	Summary of Assessment			Compliance				
			surface and groundwater source.					
4.5.1.3	<p>The EIA includes the table to improve and mitigate the negative impacts on positive.</p> <p>Example:</p> <p>Activities: Manuring</p> <p>Waste source: Fertilizer</p> <p>Category: Solid</p> <p>Environmental impacts: Negative impacts of pollution through run-off and leaching</p> <p>Mitigate to avoid fertilizer run-off, estates must avoid application of fertilizer along the stream or riparian reserve.</p>			Yes				
4.5.1.4	<p>The EIA includes the table to promote the positive impacts.</p> <p>Example:</p> <p>Activities: Harvesting</p> <p>Environmental aspects: Pruned oil palm frond</p> <p>Environmental impacts: Positive impacts minimize soil erosion by stacking frond</p> <p>Actions plan: The estate is strictly conduct harvesting as per HSPHB OPAP 13.</p> <p>CIP: Continue for progressive pruning and records are kept. Standard closely monitor by agronomist dept.</p> <p>Timeframe: Established and continually implementation</p> <p>Remarks: Oil Palm Agriculture Policy (OPAP)</p>			Yes				
4.5.1.5	<p>HSPHB established training program dated 04/01/2019 for year 2019. Each group of estates has conducted the environmental policy training.</p> <p>Example:</p> <p>Environmental policy training on 16/05/2019 at Batangan estate, 16/05/2019 at Lutong estate and 09/05/2019 at Tabin estate.</p>			Yes				
4.5.1.6	<p>HSPHB conduct quarterly environmental meetings with staff and workers.</p> <p>The meeting discuss:</p> <p>Environmental policy, riparian area, scheduled wastes, recycle program, diesel area, report of environmental, zero burning and domestic wastes.</p> <p>Meeting conducted:</p> <table border="1" data-bbox="347 1998 1238 2040"> <thead> <tr> <th>Estate</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>			Estate	Date			Yes
Estate	Date							

## MSP0 Certification Summary Report

Company Name: Hap Seng Plantations (River estate) Sdn Bhd

Certifying Unit: Plantations Central Office Group Estates

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Principle 5: Environment, natural resources, biodiversity and ecosystem services												
Indicator	Summary of Assessment	Compliance										
	<table border="1"> <tr> <td>Batangan</td> <td>13/09/2019.</td> </tr> <tr> <td>Lutong</td> <td>14/06/2019.</td> </tr> <tr> <td>Tabin</td> <td>28/06/2019.</td> </tr> <tr> <td>Litang</td> <td>20/09/2019.</td> </tr> <tr> <td>Kawa</td> <td>13/09/2019.</td> </tr> </table>	Batangan	13/09/2019.	Lutong	14/06/2019.	Tabin	28/06/2019.	Litang	20/09/2019.	Kawa	13/09/2019.	
Batangan	13/09/2019.											
Lutong	14/06/2019.											
Tabin	28/06/2019.											
Litang	20/09/2019.											
Kawa	13/09/2019.											
4.5.2.1	<p>HSPHB established fossil fuels management plan records that include 5 years baseline for diesel consumption from 2014 to 2018.</p> <p>Example at Litang estate:</p> <p>Actual for August is above baseline records</p> <p>Highly usage due to replanting and immature with low production of FFBs.</p>	Yes										
4.5.2.2	<p>HSPHB established records of diesel consumption on monthly basis for comparison against estimates.</p> <p>Diesel budget for 2019 is compared against actual usage. Records as at August the diesel consumption low compared to budget.</p>	Yes										
4.5.2.3	<p>HSPHB use renewable energy from biogas plant to generate electricity for housing at Batangan and Kapis estates. Solar panels for electric fencing at estates boundary.</p>	Yes										
4.5.3.1	<p>HSPHB established Environmental Management Plan for each estates group contains of list of wastes generated dated 26/06/2019 for Jeroco group of estates, 09/09/2019 for Tomanggong group of estates and 01/03/2019 for Kawa estate.</p> <p>Example type of wastes and sources:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>Organic waste</td> <td>Workers housing, canteens and clubhouse</td> </tr> <tr> <td>Digestive waste</td> <td>Office, housing area, clubhouse and workshop</td> </tr> <tr> <td>Maintenance oil</td> <td>Workshops</td> </tr> </tbody> </table>	Type	Source	Organic waste	Workers housing, canteens and clubhouse	Digestive waste	Office, housing area, clubhouse and workshop	Maintenance oil	Workshops	Yes		
Type	Source											
Organic waste	Workers housing, canteens and clubhouse											
Digestive waste	Office, housing area, clubhouse and workshop											
Maintenance oil	Workshops											
4.5.3.2	<p>a HSPHB established waste management plan dated 26/06/2019 describe the type, source, category and measures</p> <p>Example:</p> <p>Type of waste: Used Oil</p> <p>Source: Workshop</p> <p>Category: Liquid</p> <p>Environment Impact: Categorized as scheduled waste.</p>	Yes										

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Mitigate measure / action taken: Scheduled waste collector appointed to collect used oil.</p> <p>b HSPHB established environmental impact assessment, management plan and continuous improvement plan includes of re-cycle, reuse and reduced of waste.</p> <p>Example:</p> <p>Activities: Harvesting (frond stacking)</p> <p>Environmental Aspects: Pruned oil palm fronds</p> <p>Environmental Impacts; Reused to minimize soil erosion and nutrient to the soil. Reduced the use of chemical fertilizers</p>	
4.5.3.3	<p>HSPHB established SOP Triple Rinse Used Chemical Container date 2016 doc no HSPSB/SSOP/6-17 new update 02/03/2017.</p> <p>Procedure describe the PPE to be used rubber boot, nitrile gloves and nitrile apron.</p> <p>HSPHB established SOP scheduled waste date 2016 doc no: HSPSB/SSOP/15-17 updated review on 02/03/2017.</p> <p>SOP describe empty chemical containers to be punctured, stored and collect by authorize contractor. t.</p>	Yes
4.5.3.4	Empty containers rinsed, punctured, stored and disposed by DOE authorised collector.	Yes
4.5.3.5	<p>HSPHB domestics wastes generated from estates are disposed at designated landfill sites with distance far from housing and water source.</p> <p>Site verification at landfill area signage is install to indicate opening date and have a proper fencing.</p>	Yes
4.5.4.1	<p>HSPHB established Environmental Impact Assessment, Management Action Plans and Contiguous Action Plan has a table describing the list of waste and source generated with category solid, liquid, or gaseous.</p> <p>Example:</p> <p>Type of waste: Maintenance oil</p> <p>Source: Workshop</p> <p>Category: Liquid</p> <p>Disposal Method: 3<sup>rd</sup> party authorised scheduled wastes collector.</p>	Yes
4.5.4.2	<p>HSPHB established Environmental Impact Assessment, Management Action Plans and Contiguous Action Plan has a table fossil management plan describing source, environmental impact and mitigation measure / action taken.</p> <p>Example:</p>	Yes



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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Source: Genset</p> <p>Fuel: Diesel</p> <p>Environmental Impact: Release of carbon to the atmosphere may cause smog (NOx, SOx and etc) and may effect to human health such as lung cancer</p> <p>Mitigation measure: Regular servicing of the generator set for smooth running of engines and prevent excessive emission of greenhouse gas.</p> <p>Remarks: Continuous monitoring</p>	
4.5.5.1	<p>a Water management plan established by Jeroco Group of Estates dated 31/10/2012 and updated on 25/05/2019, Tomanggong Group of Estates dated 31/10/2012 and updated on 09/09/2019 and Kawa estate on 15/10/2014 and updated on 01/03/2019.</p> <p>Example:</p> <p>Batangan and Lutong estates</p> <p>The main water sources is from ponds for domestic and estates operations.</p> <p>Premix chemical area water reused for chemical spray.</p>	Yes
	<p>b HSPHB conducts water analysis to monitor incoming and outgoing water from streams and rivers on regular basis by external 3<sup>rd</sup> party laboratory.</p> <p>Example:</p> <p>Water analysis dated 14/02/2019 for stream at Lutong estate is within national water quality.</p>	
	<p>c HSPHB group establish rainfall records to manage water usage for domestics and field operations.</p> <p>Empty chemical containers rinsing water recycle for pre-mix.</p> <p>A regular building inspection is carried out once every two weeks to monitor any leakage of water</p> <p>Sighted inspection and repair report dated 26/09/2019.</p>	
	<p>d HSPHB established SOP Riparian zone dated 2016 doc HSPSB/SOP/15-17 and updated 2017.</p> <p>The SOP describe no fertiliser and chemical spraying activities at buffer zone areas.</p> <p>During field inspection at Sg Tagas -Tagas Besar buffer zone area, palms are marked with red colour and signage installed to identify as no activities allowed.</p>	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The water management plan describe water conservation and protection of waterways.</p> <p>Interview with workers confirmed they are aware and understood that spraying and fertilizing activities are prohibited at buffer zone area.</p>	
e	<p>Potential high conservation value area and biodiversity assessment report dated October 2014, updated on 01/03/2019 includes river management where no cutting down trees and no manuring and spraying operations at the riparian reserve.</p> <p>Site verificationd no vegetation removed at Sg Kumambu at Batangan and Lutong estates.</p>	
f	<p>Site verification at workers quarters and other work areas no bore wells implemented.</p>	
4.5.5.2	No constructions of bunds or weirs observed during field visits at Sg Kumambu and Sg Tagas.	Yes
4.5.5.3	HSPHB estates practices rain harvesting at workers quarters. This is confirmed during inspection of housing area.	Yes
4.5.6.1	a	Yes
	b	
4.5.6.2	a	Yes
	b	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	ii. Rare, Threatened & Endangered Species Policy dated 20/11/2017 Regular briefing to workers during morning muster on type of wildlife within the estate and consequence of illegal hunting..	
4.5.6.3	A monitoring system is establish to monitor protected RTE species and potential HCV area. on a monthly basis and consist of following details:- <ul style="list-style-type: none"> <li>- Date sighted</li> <li>- Type of species</li> <li>- Location of sighted area</li> </ul>	Yes
4.5.7.1	HSPHB adopted the Sustainable Agriculture Policy dated 15/08/2019. The policy described the implementation of strict zero burning policy practise for all their operations.  HSPHB - Oil Palm Agricultural Policy (OPAP) Reference: OPAP No.2 dated October 2014 Point No. 2 states that HSPHB adopts zero burn policy for palm planting from jungle or from other crops including replanting..  No sign of burning sighted during field observation at field, replanting site, housing area and landfill.	Yes
4.5.7.2	No diseases observed during field visit that required burning method to be treated. Therefore, not applicable	Yes
4.5.7.3	No diseases observed during field visit that required burning method to be treated. Therefore, not applicable	Yes
4.5.7.4	During site visit to replanting area, observed the previous palms are felled, chipped and shredded. No sign of burning observed.	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	HSPHB established Standard operating procedure (SOP) Oil Palm Agriculture Procedure (OPAP) dated August 2009 for best practices and updated May 2016 for upkeep of immature oil palm, upkeep of mature oil palm and pest and diseases. The OPAP covers all estate operations.  Example: <ol style="list-style-type: none"> <li>1. Nursery practice updated Dec 2016.</li> <li>2. Land clearing, preparation and planting updated Oct 2014.</li> </ol> Estate has conducted SOP training example: <ol style="list-style-type: none"> <li>1. SOP for harvesting operation dated 06/05/2019.</li> <li>2. SOP for manuring operation.</li> </ol>	Yes

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Principle 6: Best Practices														
Indicator	Summary of Assessment	Compliance												
4.6.1.2	<p>HSPHB established procedure for soil conservation and terracing - HSPHB OPAP No. 3 amended May 2016.</p> <p>The SOP describe planting on slope, degree and management plan to prevent soil erosion.</p> <p>HSPHB establish procedure Ref no HSPHB OPAP No 9 date: 01/04/1994 and revised: Jan 2016 describe 3 methods for soil organic matter preservation for the upkeep of mature oil palms.</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Platforms for soil erosion, fertilizer wash-off and facilitate harvesting and fruit collection.</li> <li>3. EFB application to maintain the soil moisture and erosion.</li> </ol> <p>During replanting process, the riparian reserves are maintained according to the DID requirements.</p> <p>During site observation, cover crops planted to maintain soil moisture and prevent soil erosion.</p>	Yes												
4.6.1.3	HSPHB established block marker identifying block number, field size and year of planting.	Yes												
4.6.2.1	<p>HSPHB established 5 years budget from 2020 to 2024.</p> <p>The budget include FFB projections, yields/Ha, cost/ha and cost/ton</p> <p>Example;</p> <ul style="list-style-type: none"> <li>• Cost per MT budget 2020 – 2024.</li> <li>• Cost per Ha budget 2020 – 2024.</li> <li>• Yield per Ha budget 2020 – 2024.</li> <li>• Motor vehicle budget 2020 – 2024.</li> <li>• Building budget 2020 – 2024.</li> </ul>	Yes												
4.6.2.2	<p>HSPHB has been established long term replanting program for year 2020 – 2022.</p> <p>Example: Re-planting program for Litang Estate</p> <table border="1"> <thead> <tr> <th>Program</th> <th colspan="3">Re-Planting area (Ha)</th> </tr> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Ha</td> <td>324.50</td> <td>321.50</td> <td>397.90</td> </tr> </tbody> </table>	Program	Re-Planting area (Ha)			Year	2020	2021	2022	Ha	324.50	321.50	397.90	Yes
Program	Re-Planting area (Ha)													
Year	2020	2021	2022											
Ha	324.50	321.50	397.90											
4.6.2.3	HSPHB established business management plan from 2020 until 2024. The plan includes:	Yes												

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<b>Principle 6: Best Practices</b>		
Indicator	Summary of Assessment	Compliance
	<ol style="list-style-type: none"> <li>1. FFB projection (MT).</li> <li>2. Yield/Ha (MT/Ha).</li> <li>3. FFB Price forecast/MT.</li> <li>4. Estate operating cost/MT.</li> <li>5. Planting material</li> <li>6. Financial indicators of total revenue, gross income and profit.</li> </ol>	
4.6.2.4	HSPHB establish monthly progress report capturing FFB production, yield, operation expenses etc., to compare against the projections.	Yes
4.6.3.1	HSPSB purchase chemicals from suppliers by issuing purchase order describing the product, price and terms of payment based on quotation received from supplier.	Yes
4.6.3.2	HSPSB issue purchase order for purchase of fertilizer based on the quotation from supplier with agreed price and terms of payment. Payment made timely according to the agreed terms and conditions.	Yes
4.6.4.1	HSPHB does not engage any outsourced contractors for field operations. Thus, no contract agreement available.	Yes
4.6.4.2	HSPHB does not engage any outsourced contractors for field operations. Thus, no contract agreement available.	Yes
4.6.4.3	HSPHB does not engage any outsourced contractors for field operations. Thus, no contract agreement available.	Yes
4.6.4.4	HSPHB does not engage any outsourced contractors for field operations. Thus, no contract agreement available.	Yes

<b>Principle 7: Development of new planting</b>		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>The planting statements are review. There is no new planting at SPHB.</p> <p>Replanting statements of each estates is review. There is replanting conducted in Litang and Sg Segama estate.</p> <p>Example:</p> <p>The 1<sup>st</sup> replanting in Litang estate in year 2019 while 1<sup>st</sup> planting in Litang estate in year 1998.</p>	Yes
4.7.1.2	<p>The planting statements are review. There is no new planting for HSPHB.</p> <p>Environmental Compliance Report for replanting project of 14,524.20 Ha of oil palm for 10 years (2011 – 2020) at Hap Seng Group of Estates is established.</p> <p>The report is conducted by an external consultant.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	The report describes; <ul style="list-style-type: none"> <li>- Monitoring period</li> <li>- Meteorological conditions</li> <li>- Methodology conditions (compliance monitoring, impact monitoring, water quality monitoring)</li> <li>- Monitoring results</li> </ul>	
4.7.2.1	The planting statements and maps for HSPHB are review and there are no peat land sighted.	Yes
4.7.3.1	The planting statements is review and there are no new plantings at HSPHB. Therefore, no SEIA conducted.	Yes
4.7.3.2	The planting statements are review and there are no new planting at HSPHB. Therefore, no SEIA conducted.	Yes
4.7.3.3	The planting statements are review and there are no new planting at HSPHB. Therefore, no SEIA conducted.	Yes
4.7.3.4	There are no smallholder's scheme in HSPHB certification. Therefore, not applicable.	Yes
4.7.4.1	The planting statements are review and there are no new planting at HSPHB. Therefore, no maps established.	Yes
4.7.4.2	The planting statements are review and there are no new planting at HSPHB. Therefore, no maps established.	Yes
4.7.5.1	The planting statements are review and there are no new planting at HSPHB. Therefore, no maps established and no permits available.	Yes
4.7.5.2	The planting statements are review and there are no new planting at HSPHB. Therefore, no plans established.	Yes
4.7.5.3	The planting statements are review and there are no new planting at HSPHB. Therefore, no soil map established.	Yes
4.7.6.1	The planting statements are review and there are no new planting at HSPHB. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	The planting statements are review and there are no new planting at HSPHB. There are no sacred sites, therefore, no management plan establish.	Yes
4.7.6.3	The planting statements are review and there are no new at HSPHB. Therefore, no soil SOP established.	Yes
4.7.6.4	The planting statements are review and there are no new planting at HSPHB. Therefore, no compensation and agreement established.	Yes
4.7.6.5	The planting statements are review and there are no new planting at HSPHB. Therefore, no assessment of legal and recognized customary right established.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.6.6	The planting statements are review and there are no new planting at HSPHB. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	The planting statements are review and there are no new planting at HSPHB. Therefore, no compensation plan established.	Yes
4.7.6.8	The planting statements are review and there are no new planting at HSPHB. 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.
	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.
<b>X</b>	Not applicable. No non-conformity raised in previous audit.
<i>Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major non-conformity.</i>	
<i>Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.</i>	

### 4.5. Detail of Audit Findings in last audit

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

### 4.6. Detail of Audit Findings Identified During This Audit

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

AUDIT OUTCOME		
During this audit,	1	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Non Conformity Number 1	
<b>Indicator # and Description</b>	4.4.5.3: Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

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Non Conformity Number 1			
<b>Location:</b>	Lutong estate and Litang estate		
<b>Description of Finding / Objective Evidence:</b>			
<p>The workers' pay slip, contract and check roll were review and found:</p> <ol style="list-style-type: none"> <li>Lutong estate: Genset operator worker continuous working from April to August 2019 including weekdays and public holidays. This us against the working contract with one rest day per week and; Sabah Labour Ordinance Cap 67:               <ol style="list-style-type: none"> <li>104 (1) Except as provided in this section, an employee shall not be required under his contract of service to work— (d) more than forty-eight hours in one week.</li> <li>105B. Every employee shall be allowed in each week a rest day of one whole day as may be determined from time to time by the employer, and where an employee is allowed more than one rest day in a week, the last of such rest days shall be the rest day for the purposes of this Chapter</li> </ol> </li> <li>Litang estate: Upkeep female worker has maternity leave according to leave authorisation states the maternity leave period is from 02/04/2019 to 31/05/2019 and commence work on 01/06/2019. The working contract states 'Cuti Bersalin Bergaji – 60 hari berturut –turut mengikut ordinance'. However, maternity leave is not paid as the claim of maternity benefit prepared by clerk and Memorandum submit for worker's claim is dated 20/09/2019. Sabah Labour Ordinance Cap 67:               <ol style="list-style-type: none"> <li>85. Payment of maternity allowance - The maternity allowance referred to in section 84 and accruing in each wage period under the contract of service of the female employee shall be paid in the same manner as if such allowance were wages earned during such wage period as provided in section 108.</li> <li>108. (1) The wages of an employee shall be paid not later than seven days after the expiration of the wage period in respect of which they are due.</li> </ol> </li> </ol>			
<b>Classification</b>	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
<b>Raise by:</b>	Sheron Pui Ling Wui	<b>Date Raise:</b>	28/09/2019
<b>Deadline for implementation</b>	27/11/2019		
<b>Root Cause Analysis (by company):</b>			
<ol style="list-style-type: none"> <li>Estate management incorrectly interpreted the Sabah Labour Ordinance that Genset Operator can be allowed to continue work on rest day provided where the rest day working is agreeable by the workers with written agreement be taken employer and the work type is essential to the estate community.</li> <li>Lack of monitoring to ensure the maternity leave is are in order.</li> </ol>			
<b>Correction (by company):</b>			
<ol style="list-style-type: none"> <li>Lutong Estate has immediately rescheduled and appointed one more worker as a genset operator for rotation on rest day working. <b>(Attachment 1.1a)</b></li> <li>Estate Management immediately issued the payment of maternity leave for Surianti Binti Asis on 2.10.2019 <b>(Attachment 1.2a)</b></li> </ol>			



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Non Conformity Number 1	
<b>Corrective / Preventive Action (by company)</b>	
<ol style="list-style-type: none"> <li>In additional to current practice of checking by Chief Clerk, Estate Manager will monthly cross-check on the genset operator rest day record as per Sabah Labour Ordinance to avoid genset operator to continue work every day without rest day.</li> <li>Sustainability Team / Finance Department team will yearly crosscheck the maternity leave record to avoid missed-out payment for the eligible maternity leave.</li> </ol>	
<b>Review of Correction &amp; Corrective / Preventive Action</b>	
<ol style="list-style-type: none"> <li>Memorandum of agreement for working on weekends and public holidays is review. Agreements are duly agreed and signed by both parties. HSPHB established working schedule for normal days, weekends and public holidays for the 2 genset operators to avoid continuous work without any rest days.</li> <li>Payments voucher for respective worker maternity leaves is review with payment made on 02/10/2019.</li> </ol>	
Evidences provided are sufficient to close the Major NC and will be verified in the next surveillance audit.	
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Name of Auditor:</b> Sheron Pui Ling Wui	<b>Date of Closure:</b> 19/10/2019
<b>Review of Implementation</b>	
<b>Name of Lead Auditor / Auditor:</b>	<b>Date of Review:</b>

Nr.	Indicator	Location	Opportunity for Improvement
1.	4.4.1.1	All estate	Management could improve the SIA method of interview and survey questionnaires.
2.	4.4.4.2 (b)	All estate	The management could consider improve HIRARC for following activities; <ol style="list-style-type: none"> <li>Harvesting and replating drain crossing walk path</li> <li>Water catchment area work on height</li> </ol>
3.	4.5.1.2 (b)	All estate	Management could consider improve aspect and impact identified in the environmental management plan.
4.	4.5.6.1 (a)	All estate	Management could consider following; <ul style="list-style-type: none"> <li>To improve monitoring checklist of potential HBV/HCV area – monitoring on aquatic biodiversity and ecosystem.</li> <li>To improve timeframe on monitoring of biodiversity/HBV/HCV area.</li> </ul>

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Nr.	Indicator	Location	Opportunity for Improvement
			<ul style="list-style-type: none"><li>- To improve on the HCV identify indicator in accordance to the most recent indicators format</li><li>- Improvement on the management and monitoring of critical and endangered species identified at Sg Segama HCV area.</li></ul>

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### 5. CONCLUSION

Hap Seng Plantations (River Estates) Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its estates according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

There is 1 Major NC raise and closed out successfully with evidences provided.

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 estates are in line with the Principles & Criteria of the applied standards of MS 2530-Part 3:2013.

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 estates:	13
Total certified production area:	30,399.11 Ha
Certified FFBs January to August 2019:	403,686.97 Mt
Projection FFBs September to Dec 2019:	215,000.00 Mt
Projection FFB January to December 2020	699,545.00 Mt

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### 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

<input type="checkbox"/>	Recommended for Certification
<input checked="" type="checkbox"/>	Recommended for Continuity of Certification
<input type="checkbox"/>	Recommended for Suspension of Certification

Puchong, 30/12/2019

Muhammad Khairul Anuar bin Azizul  
Hasan  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 30/12/2019

Nur Amanina Zahir  
TUV NORD (Malaysia) Sdn Bhd  
Certifier / Approver

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### 7. LIST OF INTERVIEWEES

**Table 7-1: List of Interviewed Persons and Stakeholders**

No.	Name	Organisation / Function
1.	Handry Pukin	Jabatan Perhutanan Lahad Datu

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

This report is sent to the certification body or bodies, the members of the audit team and the audit representative of the organisation. All documents such as this report according to 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 or 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
- Additional annexes, number