

# MSPO CERTIFICATION SUMMARY REPORT

Hap Seng Plantations Holdings Bhd –  
Plantations Central Office Group  
Estates (PCO Group)

Annual Surveillance Audit 03

Remote Audit Date: 02/11/2020 – 07/11/2020

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# MSPO Certification Summary Report

Company Name: Hap Seng Plantations Holdings Bhd.  
Certifying Unit: Plantation Central Office Group Estate (PCO Group)  
Client Number: 92-022  
Audit Type: ASA 03  
Mode of Audit: Remote

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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
<b>HSPHB</b>	Hap Seng Plantations Holdings Bhd



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### 1. INTRODUCTION

Hap Seng Plantations Holdings Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its 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 the estates by an independent certification body with the aim for compliance of the standard.

#### 1.2. Scope

The assessment is based on the documentation established by the 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 MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

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

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

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

#### 1.3. Appointment and qualification of team members

The audit team appointed consists of one team leader and 5 team members. The audit team members contributed to the review of documents, the assessment of the project activity and preparation of the report.

##### Qualification of the Lead Auditor: 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; v) Social Sciences and/or Anthropology; vi) Business Management; or	Graduate in Plantation Industry and management



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Requirement	Qualifications
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 plantation.
Successfully completed MPOCC endorsed lead auditor trainings	Successfully completed MS2530 series of standard for Lead Auditors
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as Lead Auditor for MSPO scheme.
Field working experience in the palm oil sector or demonstrable equivalent	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.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Health and safety auditing on the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and Auditor for MSPO and RSPO scheme.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.
Attended High Conversation Value Assessment training	Qualified as Lead Auditor for MSPO scheme.
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.



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### Qualification of Team Member(s)

Requirement	Name of Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Mohd Nur Amin bin Mohd Halim	Graduate in Office Management & Technology.	Yes
	Khairul Anwar bin Ismail	Graduate in Agricultural Science	
	Chan Shi Lie	Graduate in Technology Media	
	Joseph Sim Siaw Seng	Graduate in Occupational Safety and Health	
	Jasmandy bin Syahrul	Graduate in B. Sc. (Hons.) Plantation Technology and Management	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Mohd Nur Amin bin Mohd Halim	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.	Yes
	Khairul Anwar bin Ismail	5 years working experience in oil palm plantations.	
	Chan Shi Lie	6 years working experience in oil palm plantations.	
	Joseph Sim Siaw Seng	4 years working experience in oil palm plantations.	
	Jasmandy bin Syahrul	9 years working experience in oil palm plantations.	
Successfully completed MPOCC endorsed lead auditor trainings	Mohd Nur Amin bin Mohd Halim	Successfully completed MS2530 series of standard for Lead Auditors	Yes
	Khairul Anwar bin Ismail	Successfully completed MS2530 series of standard for Lead Auditors	



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Requirement	Name of Assessor	Qualification	Compliance
	Chan Shi Lie	Successfully completed MS2530 series of standard for Lead Auditors	
	Joseph Sim Siaw Seng	Successfully completed MS2530 series of standard for Lead Auditors	
	Jasmandy bin Syahrul	Successfully completed MS2530 series of standard for Lead Auditors	
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Mohd Nur Amin bin Mohd Halim	Qualified as Auditor for MSPO scheme	Yes
	Khairul Anwar bin Ismail	Qualified as Auditor for MSPO scheme	
	Chan Shi Lie	Qualified as Auditor for MSPO scheme	
	Joseph Sim Siaw Seng	Qualified as Auditor for MSPO scheme	
	Jasmandy bin Syahrul	Auditor in training.	
Field working experience in the palm oil sector or demonstrable equivalent	Mohd Nur Amin bin Mohd Halim	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.	Yes
	Khairul Anwar bin Ismail	5 years working experience in oil palm plantations.	
	Chan Shi Lie	6 years working experience in oil palm plantations.	
	Joseph Sim Siaw Seng	4 years working experience in oil palm plantations.	
	Jasmandy bin Syahrul	9 years working experience in oil palm plantations.	
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Mohd Nur Amin bin Mohd Halim	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.	Yes



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Requirement	Name of Assessor	Qualification	Compliance
	Khairul Anwar bin Ismail	5 years working experience in oil palm plantations.	
	Chan Shi Lie	6 years working experience in oil palm plantations.	
	Joseph Sim Siaw Seng	4 years working experience in oil palm plantations.	
	Jasmandy bin Syahrul	9 years working experience in oil palm plantations.	
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Mohd Nur Amin bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Khairul Anwar bin Ismail	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Chan Shi Lie	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Jasmandy bin Syahrul	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
Health and safety auditing of the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Mohd Nur Amin bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Khairul Anwar bin Ismail	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Chan Shi Lie	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Jasmandy bin Syahrul	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
Workers welfare and social auditing experience or	Mohd Nur Amin bin Mohd Halim	Successfully completed SA 8000 Basic training and Auditor for MSPO scheme.	Yes



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Requirement	Name of Assessor	Qualification	Compliance
Successfully attended SA8000 or related social or ethical accountability codes	Khairul Anwar bin Ismail	Successfully completed SA 8000 Basic training and Auditor for MSPO scheme.	
	Chan Shi Lie	Successfully completed SA 8000 Basic training and Auditor for MSPO scheme.	
	Joseph Sim Siaw Seng	Successfully completed SA 8000 Basic training and Auditor for MSPO scheme.	
	Jasmandy bin Syahrul	Successfully completed SA 8000 Basic training.	
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Mohd Nur Amin bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Khairul Anwar bin Ismail	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Chan Shi Lie	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
	Jasmandy bin Syahrul	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
Completed High Conversation Value assessment	Mohd Nur Amin bin Mohd Halim	Successfully completed HCV-HCS for producers course. .	Yes
	Khairul Anwar bin Ismail	Qualified as Auditor for MSPO scheme.	
	Chan Shi Lie	Qualified as Auditor for MSPO scheme.	
	Joseph Sim Siaw Seng	Qualified as Auditor for MSPO scheme.	
	Jasmandy bin Syahrul	Auditor in training.	
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Mohd Nur Amin bin Mohd Halim	Able to communicate in Bahasa Malaysia and English.	Yes
	Khairul Anwar bin Ismail	Able to communicate in Bahasa Malaysia and English.	



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Requirement	Name of Assessor	Qualification	Compliance
	Chan Shi Lie	Able to communicate in Bahasa Malaysia and English.	
	Joseph Sim Siaw Seng	Able to communicate in Bahasa Malaysia and English.	
	Jasmandy bin Syahrul	Able to communicate in Bahasa Malaysia and English.	



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## 2. METHODOLOGY

The audit approach consists of the following steps:

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

### Surveillance Audit:

Surveillance audit is conducted on 02/11/2020 – 07/11/2020 remotely for Tagas, Lokan, Tomanggong and Sg Segama estates the following activities but not limited to below:

#### Remote

- Confirmation of the appropriate interactive communication tools as describe in IAF MD4
- Virtual review of documentation established but not limited to below
  - Policies
  - Estates maps
  - Land title(s)
  - Standard Operating Procedures
  - Work Flow Charts
  - Management Plans
  - Operating licenses and approvals
  - Operating records
  - Training records
  - Applicable Legislation Documents
- Virtual inspection of estates facilities and field activities;
- Virtual interview operation personnel and field workers for understanding of work assigned;



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- Virtual stakeholders communication; If required
- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during in last audit

### Remote Assessment

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

The methodology for collection of objective evidence by means of physical or virtual site inspections, observation of tasks and processes, interview workers and operation personnel, (interviews of stakeholders, communities) Delete if not applicable, review of documentation and data. Checklists and questionnaires were used to guide the collection of information.

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

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

Based on the formula, the sample size for the estates  $S = 1/\sqrt{13} = 3.6$ , therefore round up to the next integral of 4 estates. Thus, a total of 4 estates selected for the onsite assessment and inspection as listed in Table 2-1 below:

**Table 2-1: Estates Selected**

Name of Estate	Coordinates
Tagas	5.363139°N, 118.637278°E
Lokan	5.431056°N, 118.382723°E
Tomanggong	5.400528°N, 118.664362°E
Sungai Segama	5.317339°N, 118.463148°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 Bhd – PCO Group Estates with Head Office located at 40km off Jalan Jeroco, Lahad Datu, Sabah.

The certified estates are located at the below table.

The details of the 13 estates as below:

Name of Estate or Division	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
Tagas Estate	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 Estate	40km off Jalan Jeroco, Lahad Datu Sabah	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) (Nov to Dec 2020)
	Total*	Production**	
Tomanggong Estate	2,654.80	2,407.00	9,300.00
Litang Estate	2,648.62	2,474.70	8,100.00
Tagas Estate	2,212.33	2,019.00	9,200.00



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Northbank Estate	2,235.30	2,028.00	9,400.00
Tabin Estate	3,054.77	2,875.21	13,000.00
Batangan Estate	3,632.88	3,394.00	18,000.00
Lokan Estate	3,155.39	2,837.00	9,400.00
Kapis Estate	2,681.00	2,342.00	7,640.00
Lungmanis Estate	2,200.00	1,955.00	5,000.00
Lutong Estate	2,448.40	2,194.00	10,000.00
Bukit Mas Estate	4,733.00	4,258.00	17,100.00
Sungai Segama Estate	5174.00	4,484.50	9,998.00
Kawa Estate	1,276.19	1,200.50	4,346.00
<b>Total:</b>	<b>38,106.68</b>	<b>34,468.91</b>	<b>130,484.00</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	-	-	-	-	-	-	-	-	-	-	21.00	702.00	0
1994	144.50	397.9	189.00	-	-	-	-	-	-	-	1,127.50	884.50	0
1995	-	-	-	-	-	-	-	-	765.00	-	1,378.00	112.70	0
1996	348.50	-	-	-	-	-	-	796.00	923.00	-	1,600.00	-	0
1997	101.00	321.50	185.00	-	-	-	-	373.00	-	-	-	-	123.51
1998	401.50	-	-	350.00	-	-	439.00	521.00	-	-	109.50	-	399.43
1999	-	-	-	205.00	-	-	1,309.00	-	-	157.00	16.00	17744	603.76
2000	-	-	668.00	255.00	-	-	-	-	-	-	-	198.40	55.16
2001	-	-	414.00	-	-	-	-	-	-	-	6.00	25.50	0
2002	-	-	-	-	294.07	-	-	-	-	-	-	10.50	0
2003	-	-	-	-	235.32	-	-	-	-	-	-	-	18.64
2004	-	-	234.50	-	267.00	450.00	-	-	-	42.00	-	29.80	0
2005	-	-	-	-	-	-	-	-	-	-	-	3.00	0
2006	-	-	328.50	-	-	388.00	-	-	-	456.00	-	-	0
2007	-	-	-	99.00	-	-	-	-	-	159.00	-	-	0
2008	-	-	-	185.00	605.80	151.00	-	-	-	-	-	3.00-	0
2009	-	-	-	357.00	251.00	148.00	-	-	-	-	-	-	0
2010	-	-	-	-	647.10	280.00	-	-	-	-	-	-	0



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2011	-	236.00	-	324.00	375.00	682.00	-	-	-	157.00	-	-	0
2012	-	719.50	-	253.00	124.14	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	-	-	75.78	280.00	149.00	-	-	303.00	-	-	
2016	352.00	-	-	-	-	-	296.00	392.00				358.00	
2017	343.30	39.00	-	-	-	-	161.00	260.00	-	150.00	0	458.50	
<b>Total Mature</b>	<b>2,227.00</b>	<b>1,860.2</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>
2018	-		-				239.00		267.00			-	
2019	-	614.50	-										
2020	180.00		-										
<b>Total Immature</b>	<b>180.00</b>	<b>614.50</b>	-	-	-	-	<b>696.00</b>	<b>652.00</b>	<b>267.00</b>	<b>150.00</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	-	180.00	403.00		-	<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>708.00</b>	<b>756.00</b>	<b>1,211.50</b>	<b>1,468.40</b>	<b>5,249.90</b>



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Certifying Unit: Plantation Central Office Group Estate (PCO Group)

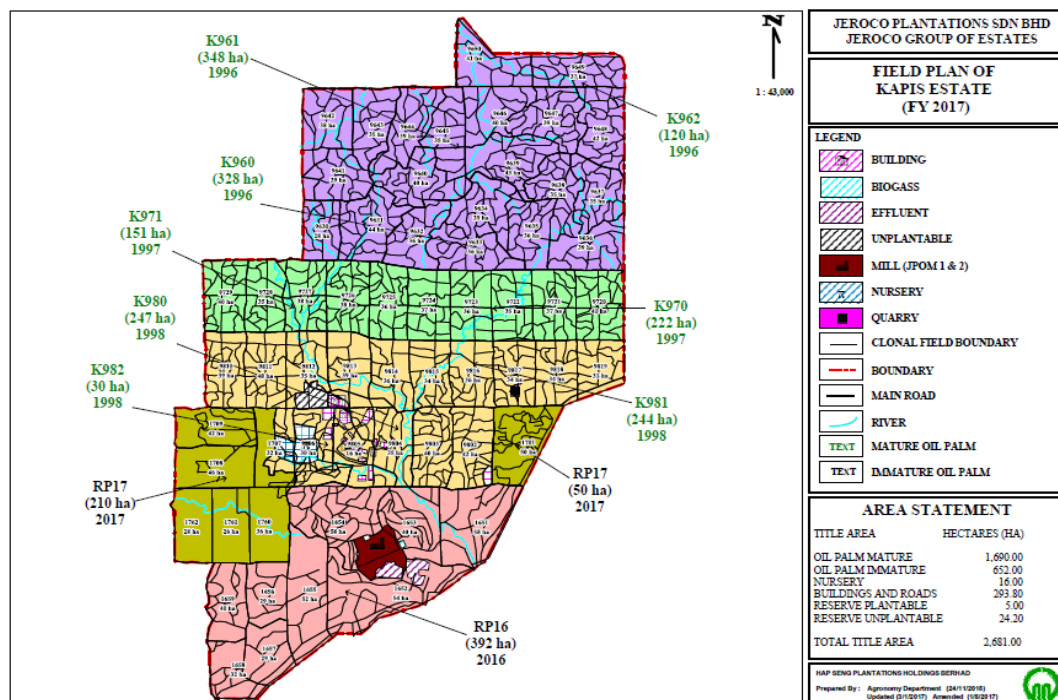
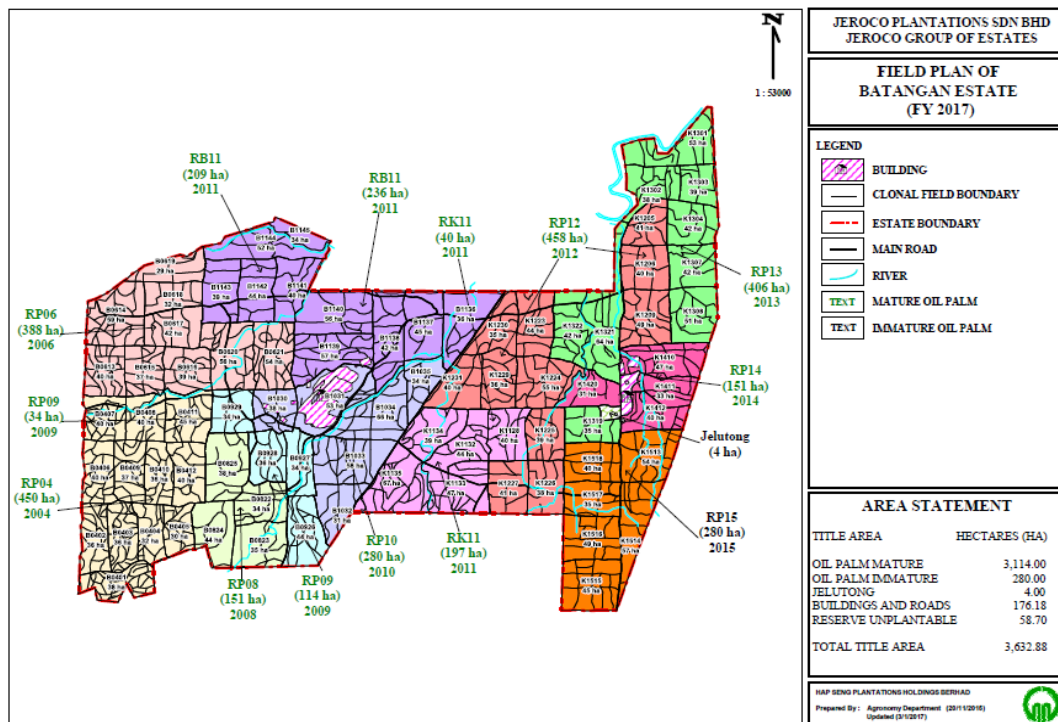
Client Number: 92-022

Audit Type: ASA 03

Mode of Audit: Remote



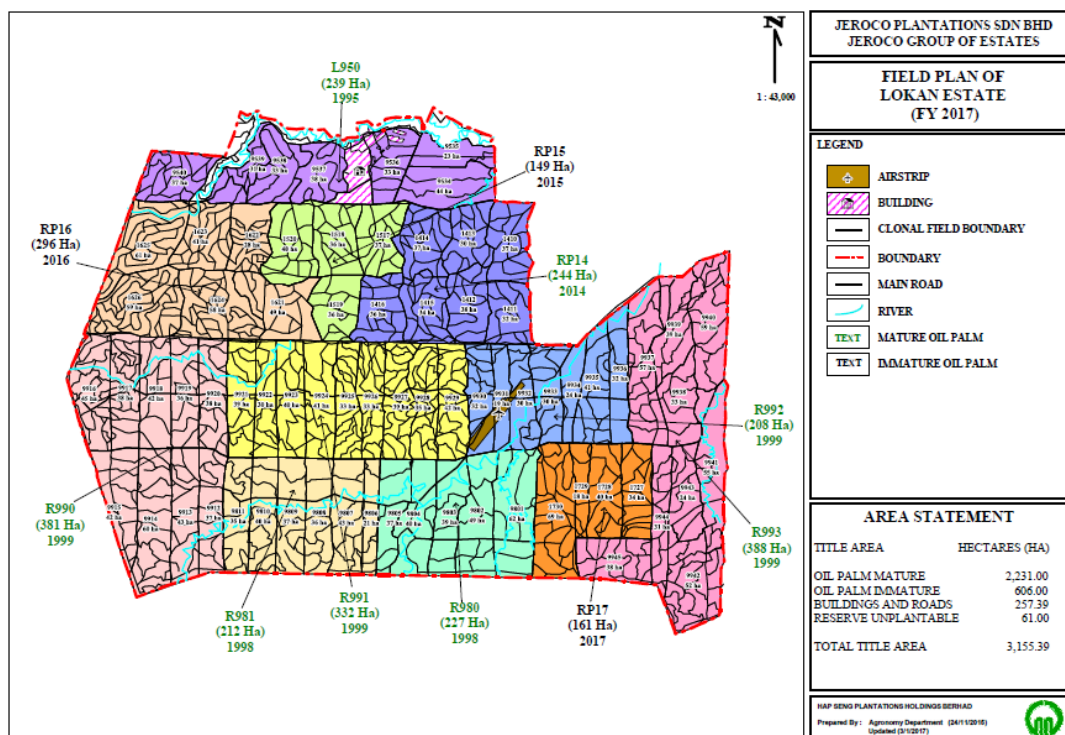
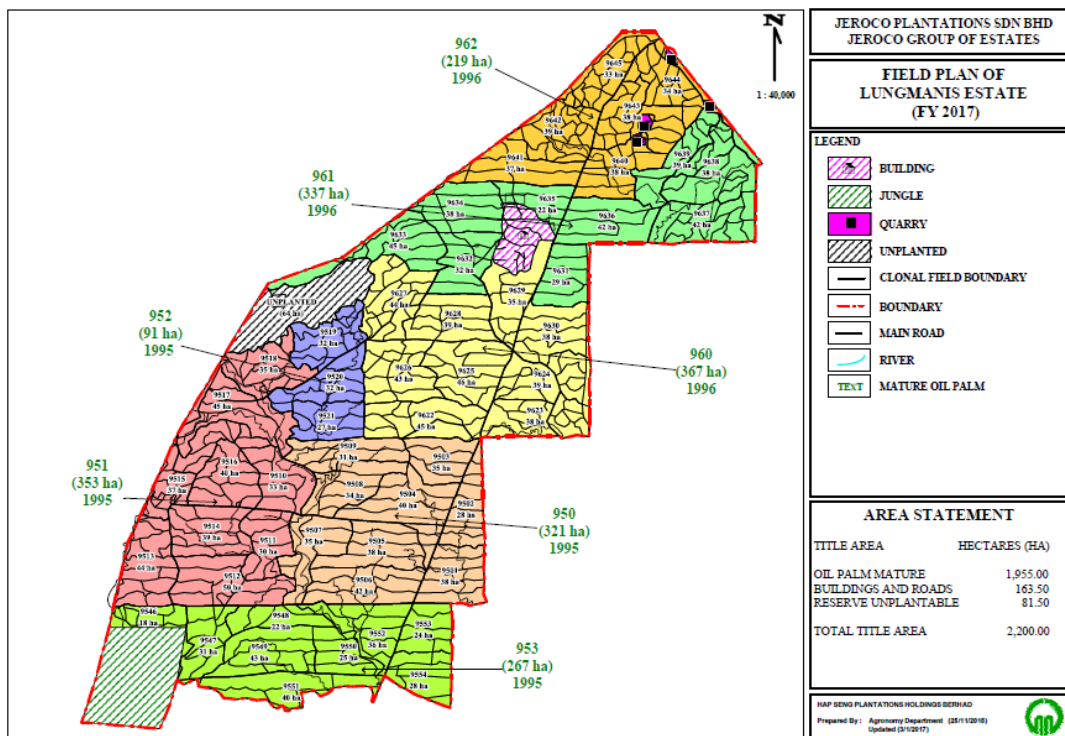
### 3.4. Maps of Estates Location





# MSPO Certification Summary Report

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 Client Number: 92-022  
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# MSPO Certification Summary Report

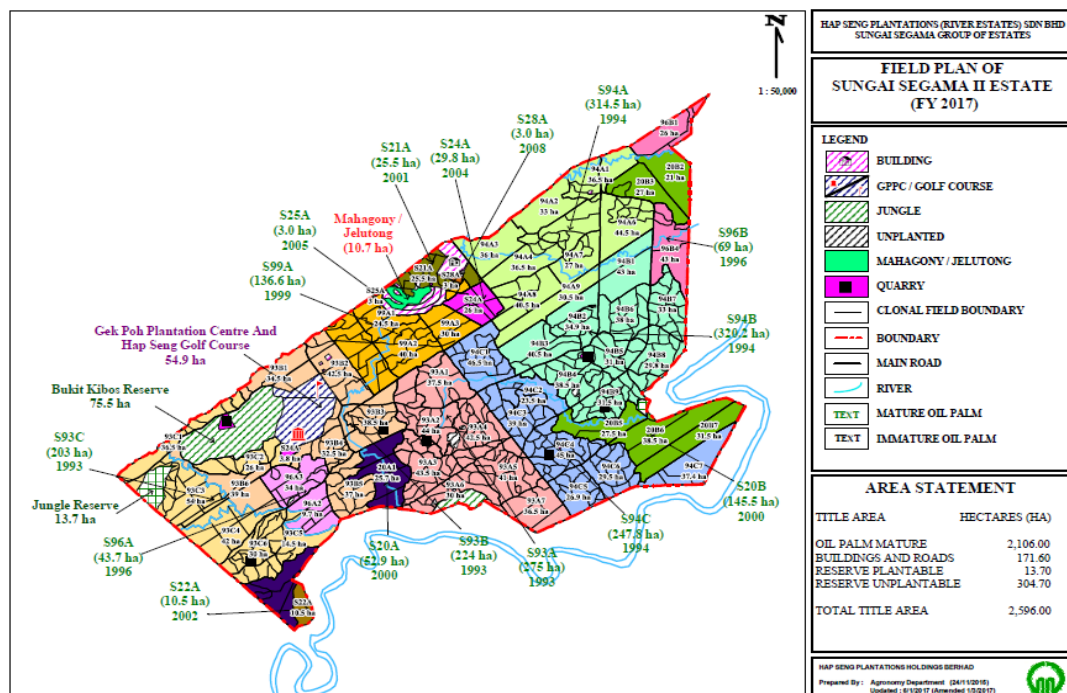
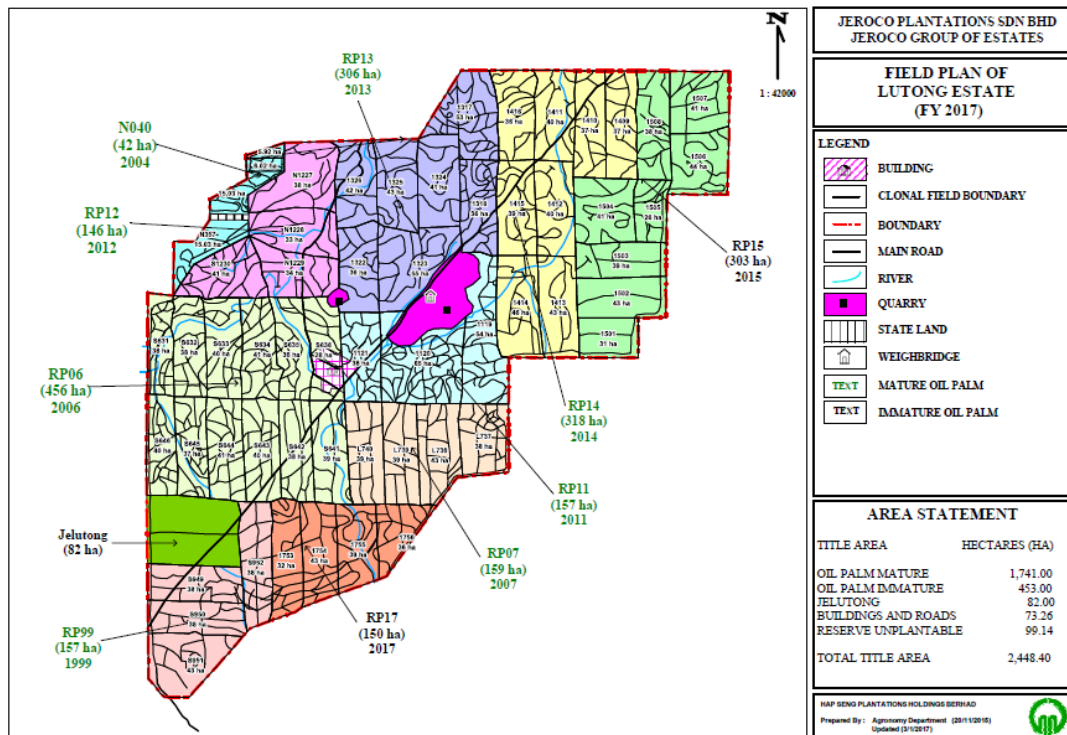
Company Name: Hap Seng Plantations Holdings Bhd.

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Audit Type: ASA 03

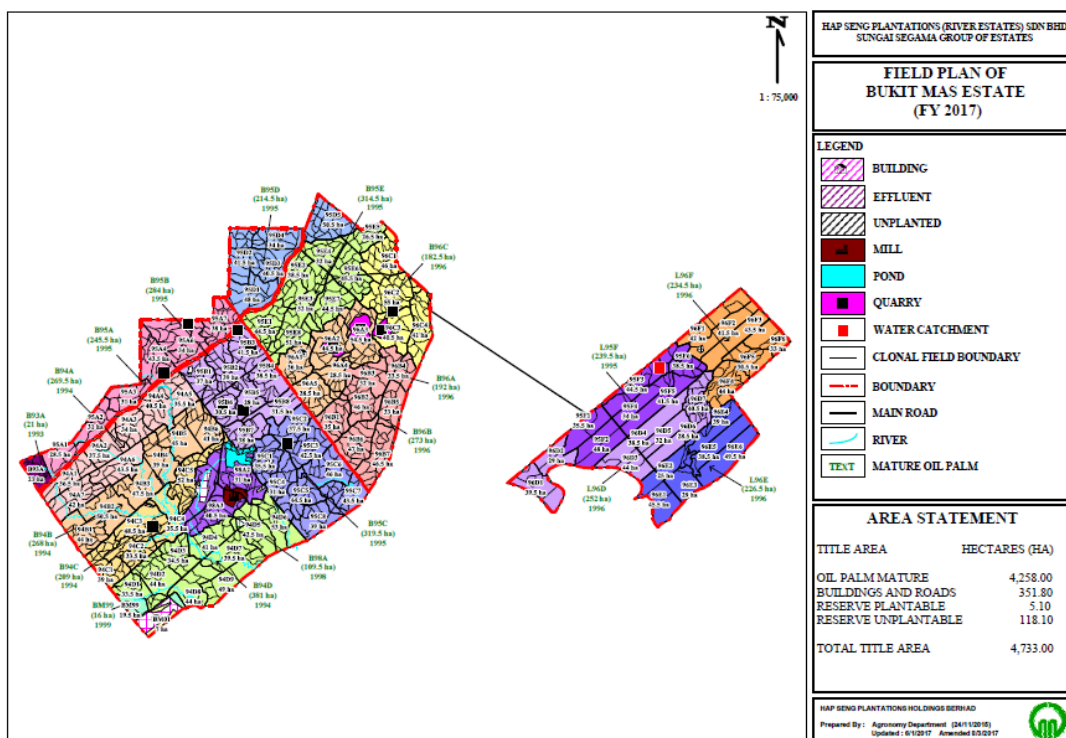
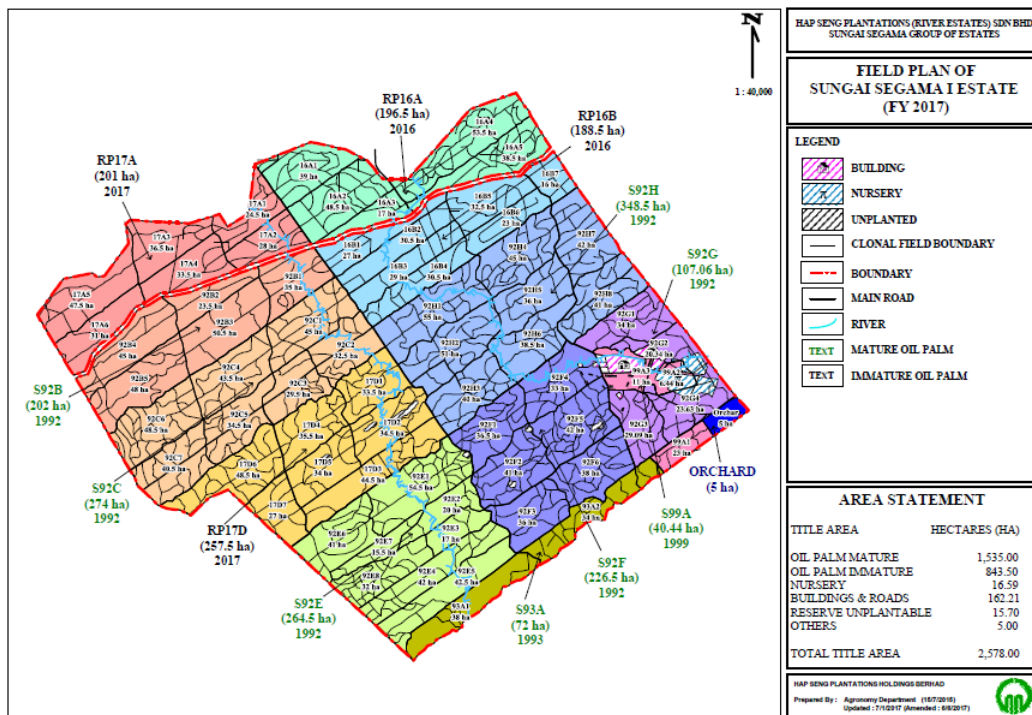
Mode of Audit: Remote



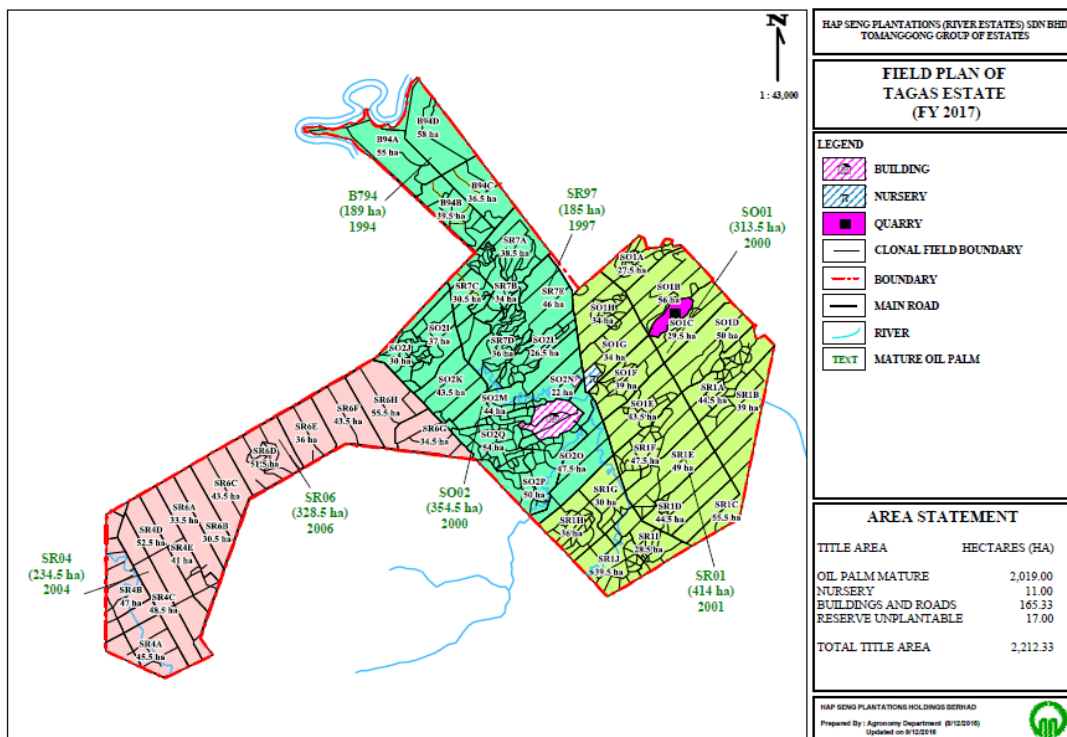
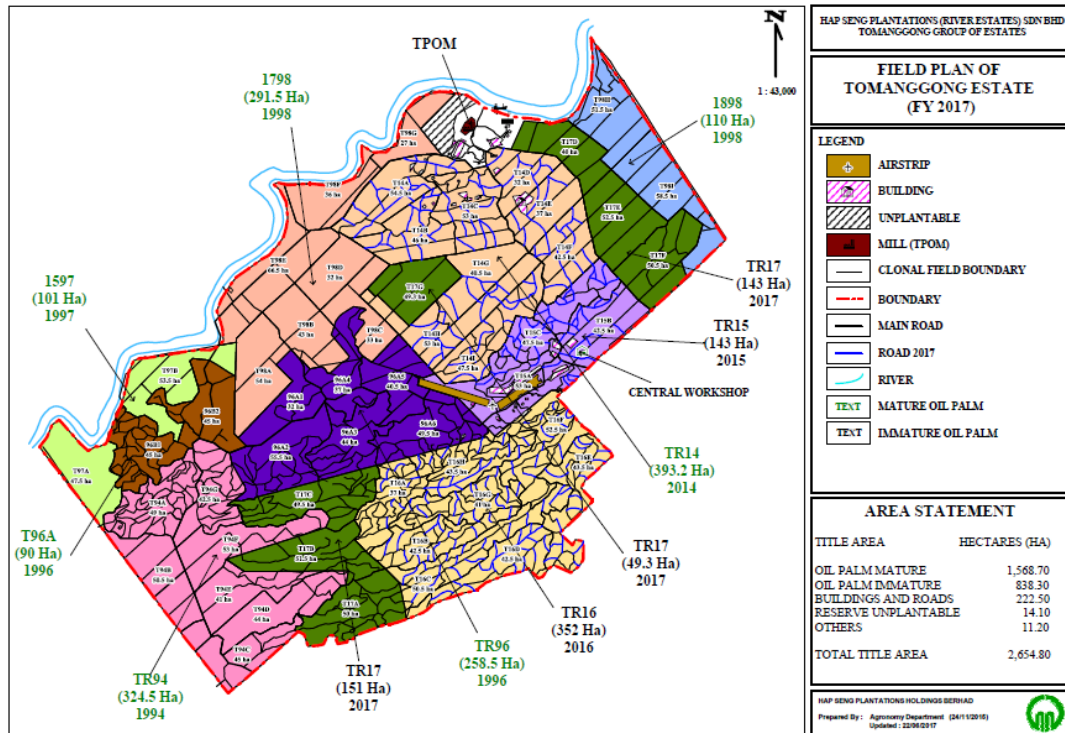


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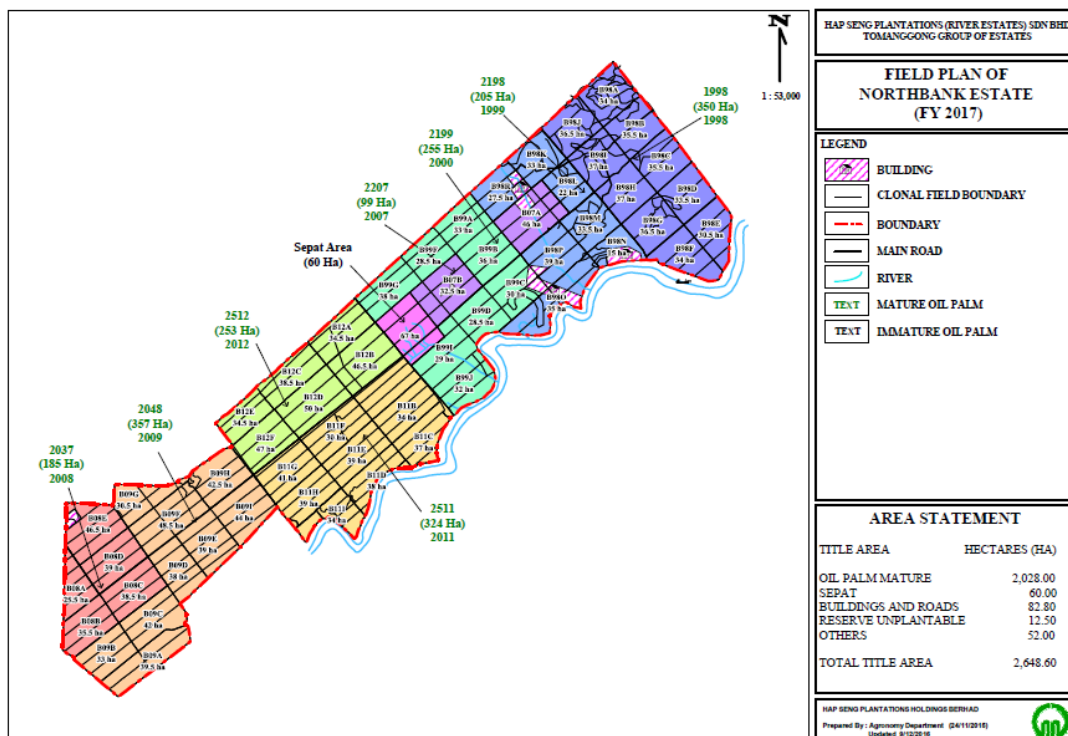
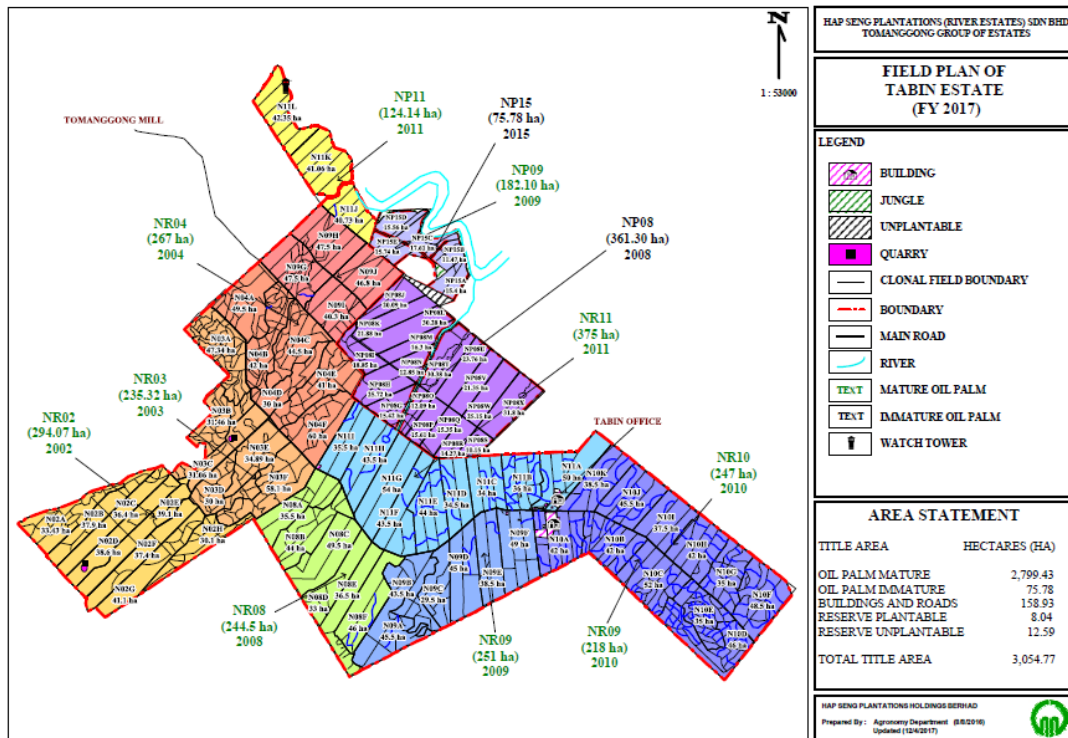
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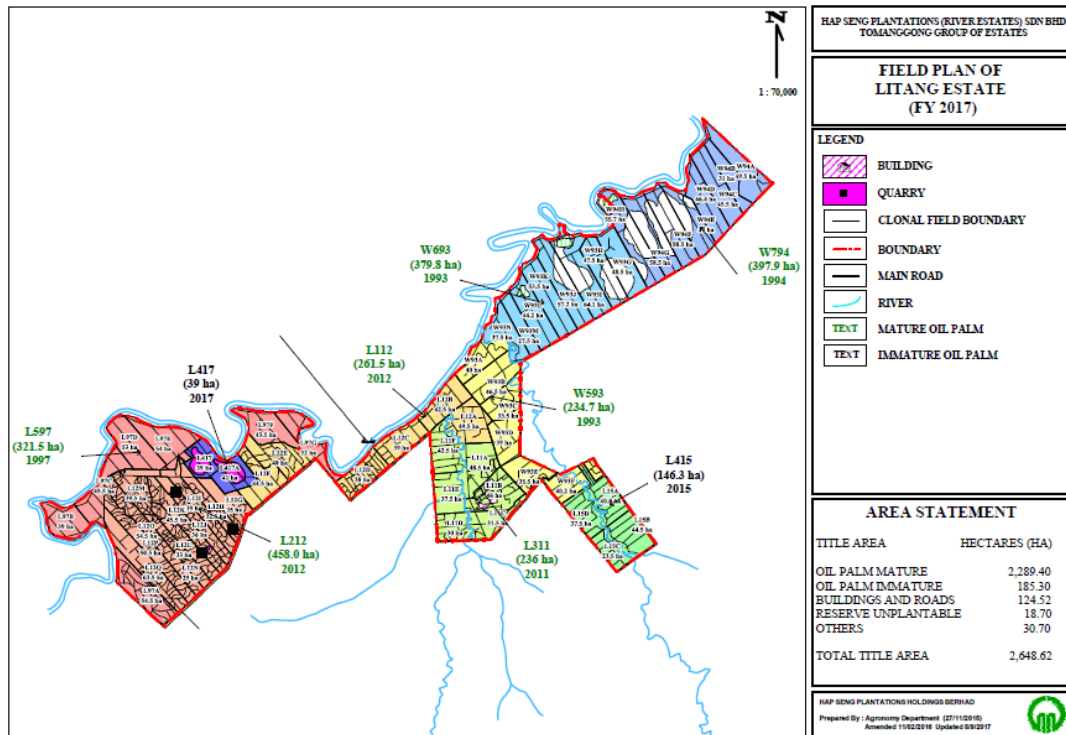
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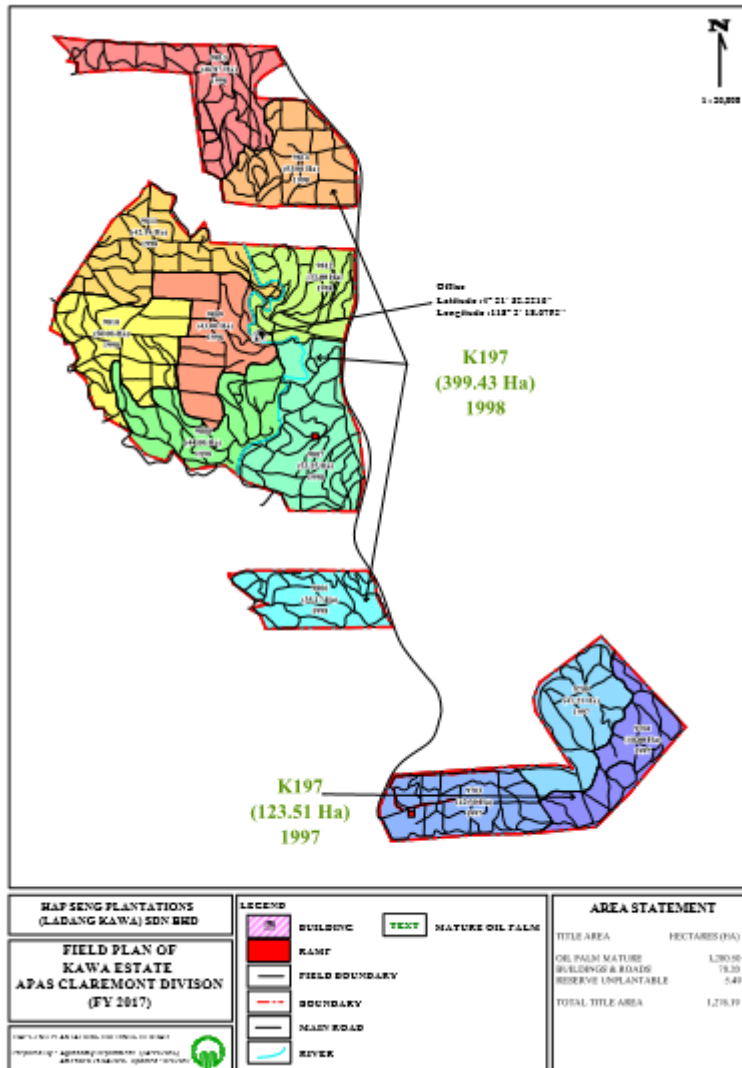
Mode of Audit: Remote





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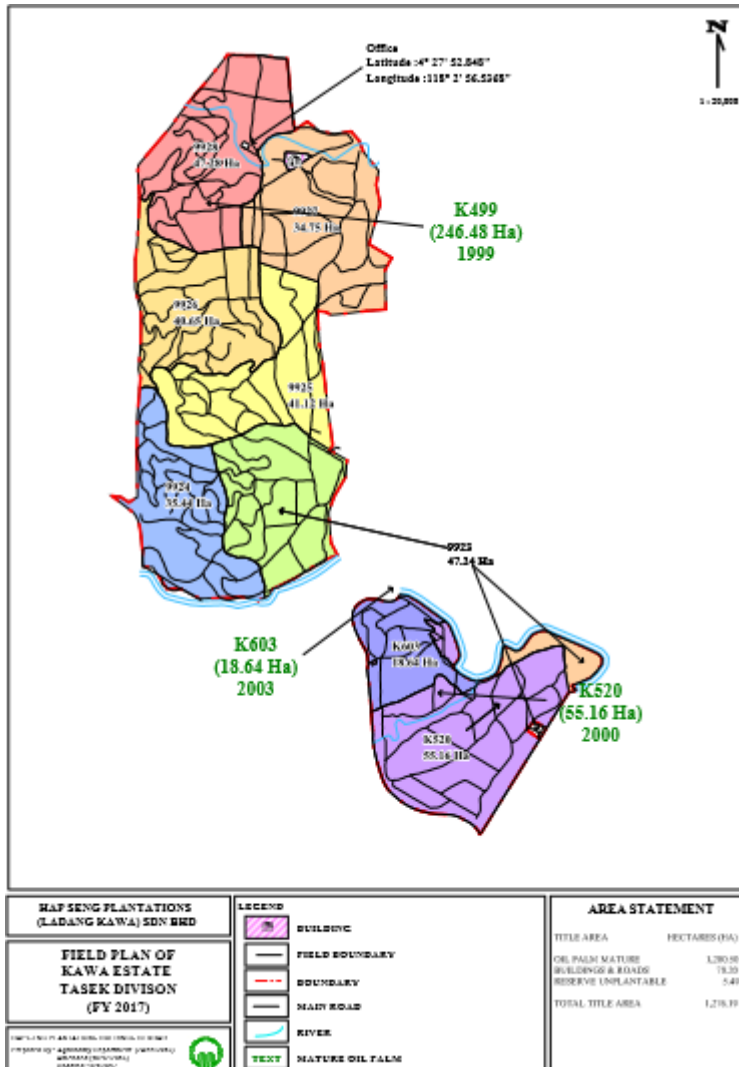
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## MSPO Certification Summary Report

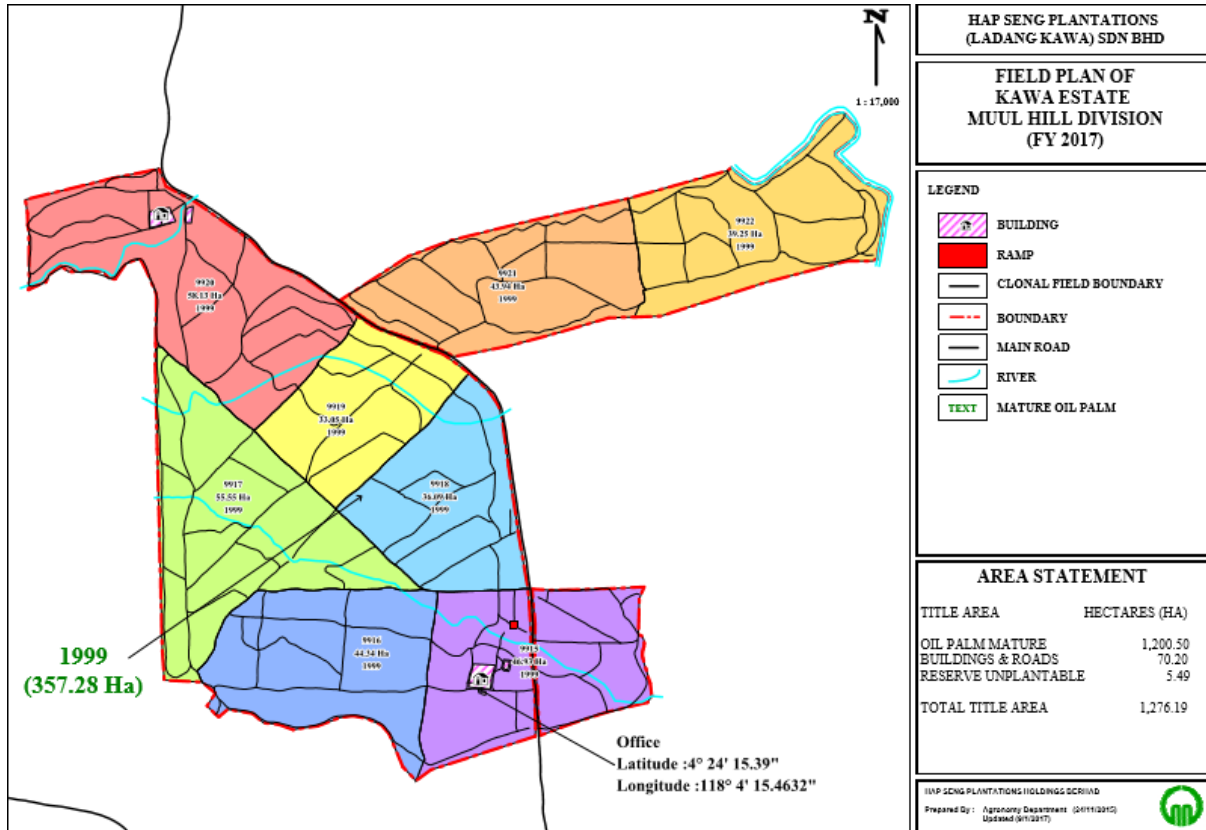
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### 4. CERTIFICATION ASSESSMENT

#### 4.1. ASA 03

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 03:

The Surveillance audit is conducted on 02/11/2020 to 07/11/2020 covering 4 selected estates – Tagas, Lokan, Tomanggong and Sg Segama.

During this Remote surveillance audit, there are 0 Major, 0 Minor and 2 Opportunities for Improvement (OFI) are raised.

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

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

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

#### 4.2. Stakeholders' Consultation

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

The audit team leader has review the stakeholders' consultation feedback during the last surveillance audit and there are no concerns or complaints or disputes raised or any prior to this audit.

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

#### 4.3. Summary of Assessment

##### Principle and Criteria Assessment Summary

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



## MSPO Certification Summary Report

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Hap Seng Plantation Holdings Berhad (HSPHB) established MSPO Policy dated 01/10/2019 signed by the Chief Executive – Group Plantations.</p> <p>The policy established available in Bahasa Malaysia and English.</p> <p>Established MSPO policy adhere to the following key principles of Malaysia Sustainable Palm Oil (MSPO):</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>The MSPO policy is displayed in the company website and at estates notice board.</p> <p>Briefing on the policy conducted as below:</p> <p>Tagas estate dated 13/01/2020</p> <p>Lokan estate dated 11/07/2020</p> <p>Tomanggong estate dated 19/10/2020</p> <p>Sg. Segama estate dated 09/09/2020</p> <p>Phone call interview with workers informed, they are aware of the MSPO policy.</p>	Yes
4.1.1.2	<p>HSPHB established MSPO policy state, 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
4.1.2.1	<p>HSPHB conduct the internal audit once a year as stated in the internal audit SOP 'Flowchart for Internal Audit System &amp; Management Review Report' updated on 10/07/2019.</p> <p>Internal audit has identified the strong and weak point and the results are reviewed.</p> <p>Example:</p> <p>Tomanggong estate conduct the internal audit on 26/06/2020 to 29/06/2020 with 6 findings raised.</p> <p>Strong point: Estate established good practices on handling the recycle waste.</p>	Yes



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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>Weak point: To improve further on the awareness of recycle waste disposal among the workers and ensure recycle and non-recycle waste are segregated before disposed.</p> <p>During remote audit process there are no findings raised related to the internal audit.</p>	
4.1.2.2	<p>HSPHB established SOP for internal audit "Flowchart for Internal Audit System &amp; Management Review Report" updated on 10/07/2019 with a flow chart describes the process of internal audit.</p> <p>SOP established states the frequency of the internal audit is once a year.</p> <p>Example:</p> <p>Sg. Segama estate conduct the internal audit on 02/01/2020 to 03/01/2020. The finding raised addressed with correction and corrective action plan.</p> <p>Finding: No appointed person in-charge for receiving and responding any request.</p> <p>Correction: To update immediately and prepare the appointment letter with its job scope to person in-charge.</p> <p>Corrective action plan: The management will update the person in-charge once there is a change in the organization of Sg. Segama estate.</p> <p>Verify on the estate organization chart indicate the estate manager is appointed as a person in-charge for receiving any request</p>	Yes
4.1.2.3	<p>Result of the internal audit are presented during the management review meeting.</p> <p>Example:</p> <p>Internal audit result for Lokan estate presented during the management review meeting held on 11/06/2020.</p> <p>Finding: Stagnant water behind labour quarters</p> <p>Root cause: Due to leakage from water tank</p> <p>Correction: Estate will solve immediately</p> <p>Status: Completed on 10/06/2020</p> <p>Review on the water tank at workers quarters photo indicate no stagnant water on the ground.</p>	Yes
4.1.3.1	<p>HSPHB conduct the management review meeting once a year after the internal audit.</p> <p>Example:</p> <p>Internal audit for Tagas estate conducted on 02/07/2020 to 03/07/2020 and the management review meeting conducted on 09/07/2020.</p> <p>Agenda of the meeting includes:</p> <ol style="list-style-type: none"> <li>1. Internal and External Audit Results</li> </ol>	Yes



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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<ol style="list-style-type: none"> <li>2. Follow Up Actions from Earlier Management Review Meeting</li> <li>3. Sustainability and Adequacy of All SOPs</li> <li>4. Sustainable Agriculture Policy</li> <li>5. Change in Legal Requirement of Any Compliance</li> <li>6. Complaint's Internal &amp; External</li> <li>7. Accident &amp; Injury (LTA)</li> <li>8. Environmental Quality</li> <li>9. Waste Management</li> <li>10. Energy Usage Performance</li> <li>11. Status of Corrective Actions</li> <li>12. Recommendation for Improvement</li> </ol> <p>Example: Agenda No.2 Follow Up Actions from Earlier Management Review Meeting</p> <p>Issue: To improve the format of Management Review report as per requirements.</p> <p>Status: Completed on 01/01/2020</p> <p>Previous management review report has been compared with the current template.</p> <p>Verify on the revised template of management review report dated 01/01/2020 document name HSP-SE-2020, revision number 03 include changes on the agenda number for 'Recommendation for Improvement' from agenda number 3 to number 12 at page number 18.</p> <p>Phone call interview with the management confirmed the changes made for the management review report template.</p>	
4.1.4.1	<p>HSPHB established continual improvement plan (CIP) which includes pesticides, safety and health, environmental, pollution and emission, waste reduction and social and welfare.</p> <p>Example:</p> <p>CIP for Lokan estate established and updated on 13/07/2020.</p> <ul style="list-style-type: none"> <li>• Activity: Safety and health</li> <li>• Improvement action: Providing free PPE and replacement of old PPE to all employees</li> <li>• Expected outcomes: Reduce risk of hazard happen in work place</li> <li>• Timeframe: On going</li> <li>• Review and monitor: PPE issuance record</li> <li>• Person In-Charge: Estate Manager</li> </ul>	Yes



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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>PPE issuance records for Lokan estate updated on November 2020 is reviewed.</p> <p>Interview with workers by phone call informed PPE are provided by the company and replace for free.</p>	
4.1.4.2	HSPHB established flowchart 'Action Plan for New Technology Implementation' on October 2019 as a system to improve practices in line with new information and techniques or new industry standards and technology.	Yes
4.1.4.3	<p>HSPHB established flowchart 'Action Plan for New Technology Implementation' on October 2019.</p> <p>The flowchart indicates necessary resources including budget and training will be provided if applicable, available and feasible for adoption.</p> <p>Example:</p> <p>Phone call interview with Lokan estate manager informed there is no new technology currently implemented at the estate.</p>	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>HSPHB established list of stakeholders for respective estates as follows:</p> <ul style="list-style-type: none"> <li>Tagas Estate established list of stakeholders dated 18/08/2020</li> <li>Lokan Estate established list of stakeholders dated 05/10/2020</li> <li>Tomanggong Estate established list of stakeholders dated 01/10/2020</li> <li>Sg Segama Estate established list of stakeholders dated 13/02/2020</li> </ul> <p>The list of stakeholders of Tagas Estate, Lokan Estate, Tomanggong Estate and Sg Segama Estate includes government agencies, neighboring estates, NGOs, suppliers, local villages, internal stakeholders, contractors and consultants.</p> <p>HSPHB conducted stakeholders consultation meeting for respective estates as follows:</p> <ul style="list-style-type: none"> <li>Tagas Estate dated 29/06/2020</li> <li>Lokan Estate dated 08/06/2020</li> <li>Tomanggong Estate dated 28/07/2020</li> <li>Sg Segama Estate dated 28/06/2020</li> </ul> <p>The meeting minutes include topics on prevention of COVID-19, social, environment, MSPO principle and legal matters.</p>	Yes



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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.2	<p>HSPHB established list of publicly available documents ref: HSPSB P1 1120(C) last updated on 01/01/2020 which applied to all estates.</p> <p>Example of documents publicly available:</p> <ul style="list-style-type: none"> <li>• Sustainable Agriculture Policy</li> <li>• Environmental compliance report</li> <li>• Land titles</li> <li>• HSPHB Annual Report</li> <li>• Social Impact Assessment</li> <li>• Water Management Plan</li> </ul> <p>Example of confidential documents are:</p> <ul style="list-style-type: none"> <li>• Annual Budget</li> <li>• Business Plan</li> </ul>	Yes
4.2.2.1	<p>HSPHB established SOP Stakeholder Consultation Procedure ref: HSPHB/AGRO/001 dated 30/11/2018 which applied to all estates.</p> <p>The procedure includes the flowcharts of stakeholder consultation process in two categories of joint consultative committee meeting which are Group Level and Estate/Mill Level.</p> <p>HSPHB established Procedure “<i>Memohon Maklumat Syarikat</i>” ref: HSPSB P1 1120 (C), updated on 01/01/2020 which applied to all estates.</p> <p>The procedure states that all the documents requested by stakeholders have to be recorded in “<i>Borang Permohonan Maklumat</i>” and to be resolved within a week.</p> <p>Remote verification on the minutes of the stakeholders consultation meeting confirmed SOP Stakeholders Consultation Procedure and Procedure “<i>Memohon Maklumat Syarikat</i>” have been communicated to internal stakeholders and external stakeholders during the stakeholders consultation meeting in respective estates.</p>	Yes
4.2.2.2	<p>HSPHB appointed persons in-charge for consultation and communication for respective estates as follows:</p> <ul style="list-style-type: none"> <li>• Tagas Estate appointed Deputy Manager as person in-charge for consultation and communication dated 15/07/2020.</li> <li>• Lokan Estate appointed Assistant Manager as person in-charge for consultation and communication dated 05/10/2020.</li> <li>• Tomanggong Estate appointed Deputy General Manager as person in-charge for consultation and communication dated 15/01/2020.</li> <li>• Sg Segama Estate appointed Senior Manager as person in-charge for consultation and communication dated 20/03/2020.</li> </ul>	Yes



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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.2.3	<p>HSPHB established Stakeholders Consultation Procedure ref: HSPHB/AGRO/001 dated 30/11/2018.</p> <p>There are two categories of Joint Consultative Committee (JCC) meeting in HSPHB stated in the SOP:</p> <ul style="list-style-type: none"> <li>Stakeholders consultation at group level: Comprises of estate management, contractors, suppliers, government agencies, NGOs, local villagers and all affected parties.</li> <li>Stakeholder consultation at estate / mill level: Comprises of neighboring local villagers, neighboring smallholders, local contractors, gender committee, workers representative and all affected parties.</li> </ul> <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>Remote verification on the minutes of stakeholders consultation meeting confirmed the estate level stakeholder consultation meeting have been conducted for Tagas Estate, Lokan Estate, Tomanggong Estate and Sg Segama Estate.</p>	Yes
4.2.3.1	<p>HSPHB established SOP traceability system as follows:</p> <ul style="list-style-type: none"> <li>Chapter 1 "CSFFB, CSPO and CSPK Traceability System - Chain of Custody" doc no: SOP/COC/001, issued 04 updated 15/05/2019.</li> <li>Chapter 2 "Harvesting and Loading of Fresh Fruit Bunches" doc no: SOP/COC/002, issued 03 updated 31/05/2018.</li> </ul> <p>The flowchart of FFB delivery process describes:</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> <li>Field conductor will check the bunch checking form.</li> </ul> <p>HSPHB use FFB delivery chits as documents from estate for transporting FFBs to mills. HSPHB received mill weighbridge ticket as a proof of FFB delivery.</p>	Yes
4.2.3.2	<p>HSPHB established SOP traceability system doc no: SOP/COC/001, revision 03 updated 31/05/2018.</p> <p>Internal audit conducted as a mechanism to inspect the traceability system.</p>	Yes



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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>Reviewed on internal audit results, there are no findings raised on traceability for Tagas Estate, Lokan Estate, Tomanggong Estate and Sg Segama Estate.</p> <p>The FFB delivery is monitored daily and monthly basis by estate office clerk.</p>	
4.2.3.3	<p>HSPHB appointed persons in-charge for traceability for respective estates as follows:</p> <ul style="list-style-type: none"><li>• Tagas Estate appointed Deputy Manager as person in-charge for traceability dated 25/02/2020.</li><li>• Lokan Estate appointed Assistant Manager as person in-charge for traceability dated 05/10/2020.</li><li>• Tomanggong Estate appointed Estate Manager as person in-charge for traceability dated 02/01/2020.</li><li>• Sg Segama Estate appointed Assistant Manager as person in-charge for traceability dated 20/03/2020.</li></ul>	Yes
4.2.3.4	<p>HSPHB established records of FFB delivery and kept at estate office on daily basis.</p> <p>Records of FFB delivery for Tagas Estate, Lokan Estate, Temanggong Estate and Sg Segama Estate are documented, sample collected such as estate delivery chits and mill weighbridge tickets are crosschecked.</p> <p>Remote verification on the records such as delivery chit to mill weighbridge confirmed the records are well maintained. Unique number is mill weighbridge ticket.</p> <p>Example:</p> <p>Tagas Estate FFB Delivery Note:</p> <p>DN No.: 38663</p> <p>Date: 31/10/2020</p> <p>Jeroco Palm Oil Mill 1 Weighbridge Ticket:</p> <p>WT No.: 107846</p> <p>Date: 31/10/2020</p> <p>DN No.: 38663</p> <p>All the stated information can be trace to Tagas Estate FFB delivery chit.</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>	Yes



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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	Estate : Tagas Estate MPOB License number: 50153940200 Validity: 01/04/2020 – 31/03/2021. Trading Register number: R29484/2015. License end at: 31/12/2020 Permit barang kawalan berjadual. No rujukan: KPDNKK.LDT. 900.3/1(11/2007) Diesel quantity: 90,000 liter, petrol quantity 500 liter. Validity: 05/02/2020 to 04/02/2021	
4.3.1.2	HSPHB established legal register for group of estates and mills with latest review on 13/05/2020. Workers Minimum Standard of Housing & Amenities ACT 1990 (01/01/2020) Prevention and control Infectious Disease ACT 1988 (13/05/2020) - Declaration Of Infected Local Area Order 2020 Occupational Safety and Health Act 1994 (act 514) - Occupational safety and health (prohibition use of substance) order 1999 Pesticides Act 1974 (Act 149) and Regulation - Pesticides Act highly toxic pesticide Regulation 1996 Sabah Environment Protection Enactment 2002 - Sabah Environment Protection Enactment (Prescribe Activity) (Environmental Impact Assessment) Order 2005. Environment Quality Act 1974 (act 127) - Environmental Quality (control of emission from diesel engines) Regulation 1996	Yes
4.3.1.3	HSPHB established legal register 2020 with latest update on 13/06/2020. Example: 1. Workers Minimum Standard of Housing & Amenities ACT 1990 2. Prevention and control Infectious Disease ACT 1988 - Declaration Of Infected Local Area Order 2020	Yes
4.3.1.4	HSPHB appointed person in charge of compliance legal requirement for each of estates. Example: Estate: Tagas estate	Yes



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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	PIC: Deputy manager To monitor compliance and to track and update the changes in regulatory requirements.	
4.3.2.1	HSPHB land titles are country lease issued by Director of Lands and Surveys, Sabah Land use Cultivation of agricultural crops of economic value.	Yes
4.3.2.2	HSPHB land titles are country lease issued by Director of Lands and Surveys, Sabah. Land use for cultivation of agricultural crops of economic value. The period of land title is 99 years and issued to River Estate Sdn. Bhd, Jeroco Plantations Sdn Bhd, Tampilit Sdn Bhd and The East Asiatic Co (M) Bhd	Yes
4.3.2.3	Each land title has a map with the title number and size in acre. The boundary stone numbers are stated in the land titles. Remote photo site verification on boundary stone is well maintained.	Yes
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 lease issue by Sabah Land Authority. No customary land titles listed in the summary of land titles. Therefore, no customary right encumbered.	Yes
4.3.3.2	HSPHB land titles are country lease. No customary land titles listed in the summary of land titles. Therefore, no maps established. .	Yes
4.3.3.3	HSPHB land titles are country lease. No customary land titles listed in the summary of land titles. Therefore, no FPIC or negotiated documents established.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	HSPHB established Social Impact Assessment 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 20/09/2020.</li> <li>2. SIA Jeroco group of estates and Jeroco Palm Oil Mill 1 &amp; 2, date of review 13/07/2020.</li> <li>3. SIA Sg. Segama Group of estates and Bukit Mas Palm Oil Mill, date of review 01/03/2020.</li> </ol> SIA conducted includes external and internal stakeholders to received feedback.	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The SIA includes a summary of positive and negative impacts. The action and implementation is the responsibility of the estate manager</p> <p>The positive impacts are continuously promoted while negative impacts are mitigated and include in CIP for monitoring.</p> <p>The SIA will be reviewed once a year with feedback from the stakeholders.</p> <p>Review on SSGOEs SIA, sighted there are positives and negative impact from workers.</p> <p>Example:</p> <p>Positives impact: Good facilities and welfare provided by the company</p> <p>Action taken: Continue to maintain welfare to workers community.</p> <p>Negative impact: Hot weather at replanting area.</p> <p>Action taken: Shelter hut is provided at replanting area.</p> <p>Site verification with photos received, confirmed the shelter hut is provided at the replanting area.</p>	
4.4.2.1	<p>HSPHB established complaints and grievance procedure which is applicable to all estates and mills.</p> <p>Verify SOP 'Melapor Aduan dan Permasalahan (Pihak Berkepentingan Luaran). Latest reviewed date: 31/03/2018, ref: HSPSB P1 1120.</p> <p>'Procedure Melapor Aduan and Permasalahan (Pihak Berkepentingan Luaran)'. The timeline had stated clearly on the procedure 5. Which is complaint will be solve within 30 days from the date received.</p> <p>For procedure 'Melapor aduan dan permasalahan bagi pihak berkepentingan dalaman di peringkat lading /kilang', the procedure statement 5. Had stated that the assistant manager should solve the complaint received within 2 days after the complaint received. While assistant manager is not authorized solve the complaint, the complaint will bring to manager to solve in 3 days.</p> <p>Complaint form is available in the office. Verify the form 'complaint form'</p> <p>Photo reviewed, verify visually the complaint procedure is displayed at the notice board.</p>	Yes
4.4.2.2	<p>All the estates able to solve the complaint in timely manner.</p> <p>Phone call interview verify complaint have resolved satisfaction in timely manner.</p> <p>Reviewed complaint record, no complaint was lodged by workers on these matter.</p> <p>Example:</p> <p>Tagas estate</p> <p>Review on the complaint form document no.: TGS/AP-B1, verify no complaints lodged by workers and external parties.</p>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Verify during document review, no others complaint lodged. Phone call interview, no complaint lodged by workers.	
4.4.2.3	HSPHB establish complaint form and logbook. Verify the documents available at all estates offices.	Yes
4.4.2.4	Stakeholders meeting conducted for Jeroco Group of Estates, Sg Segama Group of Estates and Tomanggong Group of Estates.  The stakeholders meeting include the company policies, social issues raised, complaint and grievance.  Phone call Interview with workers verify staffs and workers, aware on the complaint procedure and understand complaint can be made anytime when is needed.  Example: Tagas estate  Verify the morning briefing book for the complaint procedure briefing. Latest briefing is conducted on 14/09/2020.  Briefing on complaint and grievance to stakeholders conducted on 28/07/2020.	Yes
4.4.2.5	HSPHB established complaint log book for internal and external.  Document review, HSPHB maintain the records from 2017, 2018 and 2019. Verify, no complaint lodged as at audit date.  Complaint record kept in the estates offices.	Yes
4.4.3.1	HSPHB has provide job opportunity to local communities by hiring workers, security guards, office staffs and drivers.  Estate grocery shop operate by local communities.	Yes
4.4.4.1	HSPHB established the Group Safety and Health policy dated 01/04/2015 and signed by Chief Executive - Group Plantation for all the estates.  The policy stated that HSPHB is committed 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 of Tagas Estate, Lokan Estate, Tomanggong Estate and Sg Segama Estate.  The Safety and Health Policy briefing conducted to internal stakeholder and external stakeholder during Stakeholder Consultation meeting in respective estates.	Yes
4.4.4.2	a Safety and Health Policy is displayed on notice boards located at main office, workshops and stores of Tagas Estate, Lokan Estate, Tomanggong Estate and Sg Segama Estate.  The policy is displayed at the notice board in dual languages, Bahasa Malaysia and English.	Yes



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### Principle 4: Social Responsibility, health, safety and employment conditions

Indicator	Summary of Assessment	Compliance
	<p>Safety &amp; Health Policy been briefed to estates workers during Safety &amp; Health Committee (SHC) meeting at Tagas Estate, Lokan Estate, Tomanggong Estate and Sg Segama Estate.</p> <p>Phone call interview with estates workers informed they understand and aware of company Health and Safety Policy.</p>	
b	<p>HIRARC is established for respective operation activities applicable to the estates based on the risk assessment table for Tagas Estate updated 25/03/2020, Lokan Estate updated 15/06/2020, Tomanggong Estate updated 31/03/2020 and Sg Segama Estate updated 16/04/2020.</p> <p>The table with headings: Activity, Hazard, Risk and Effects, Initial Risk Assessment (Consequences, Likelihood, Risk Rating), Risk Control (Existing Control, PIC), Risk Assessment after Control (Consequences, Likelihood, Risk rating, Description) and Date Review.</p> <p>Example: COVID-19 Pandemic</p> <p>Activity: Going to / back from work</p> <p>Hazard: Biological Hazard (Covid19)</p> <p>Causes and Effect: Fever, cough, breathing difficulties, tiredness, pneumonia, kidney failure and fatalities.</p> <p>Existing Risk Control: Lockdown, work at home, prevent touch contact, 1 meters social distancing, personal hygiene (Frequent washing hand).</p> <p>Likelihood, Severity &amp; Risk Rating: L-5, S-5, R-25 high risk.</p> <p>Recommended Control Measure: Cover mouth &amp; nose with mask (approve mask) during going to work and back to work. Hand washing facility and hand sanitizer provided at the work area, immediate inform ERT team if there any symptom of Covid19.</p> <p>PIC, Due Date, Status: All assistant manager, 31/12/2020, In progress</p> <p>Remarks: Nil</p> <p>Date Review: Yearly 18/03/2021</p> <p>Phone call interview with estate workers informed they understand the risk of specific task.</p>	Yes
c i	<p>HSPHB established Annual Training Programme for Tagas Estate, Lokan Estate, Tomanggong Estate and Sg Segama Estate updated until October 2020 which includes the safe work practices of estate operation activities.</p> <p>SOP trainings for estate operation activities conducted:</p> <ul style="list-style-type: none"> <li>Chemical Spraying SOP training conducted to chemical handler's team dated 22/05/2020 for Tagas Estate.</li> </ul>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>Chemical Store SOP training conducted to chemical handler's team dated 15/07/2020 for Lokan Estate.</li> <li>Chemical Handling and Storage SOP training conducted to chemical handler's team dated 16/10/2020 for Tomanggong Estate.</li> </ul> <p>Phone call interview with estate workers informed they understand the safe work practices of their individual task.</p>	
c ii	<p>Remote photo verification on SDSs for chemicals, fertilizers and lubricants are available at estate office and storage facilities of chemicals, fertilizers, lubricants and workshop.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>Chemical Krush (Glyphosate potassium 48.7%) revision date 29/03/2016.</li> </ul> <p>SDS available in dual language, English and Bahasa Malaysia.</p> <p>Remote photo verification on chemical and fertilizers are in original label packaging and stored in proper storage facilities with sufficient ventilations.</p>	Yes
d	<p>HSPHB established records of PPEs issuance for Tagas Estate, Lokan Estate, Tomanggong Estate and Sg Segama Estate, all the PPE issuance records are maintained and updated.</p> <p>Type of PPE for activity in accordance to HIRARC and CHRA assessment is identified.</p> <p>Example: Chemical Spraying</p> <p>PPE: Nitrile hand glove, goggles, nitrile apron, mask respirator and rubber boots.</p> <p>Phone call interview with estate workers informed they are provided with PPE according to individual task.</p>	Yes
e	<p>HSPHB established Safe and Standard Operating Procedure (SSOP) for Chemical Handling Management with revision on 31/01/2020 which applied to all estates.</p> <p>The list of SSOP as follows:</p> <ul style="list-style-type: none"> <li><i>Menabur Baja</i>, Chapter 2</li> <li><i>Masuk Semula Ladang yang Terdedah kepada Racun</i>, Chapter 4</li> <li><i>Penyemburan Racun Rumpai</i>, Chapter 5</li> <li><i>Pemindahan Racun Siap Bancuh ke Ladang</i>, Chapter 7</li> <li><i>Kerja mencampur Racun Rumpai</i>, Chapter 9</li> <li><i>Penghantaran dan Pengendalian FFB/Racun/Baja</i>, Chapter 14</li> </ul>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>• <i>Stor Baja dan Karung Baja</i>, Chapter 19</li> <li>• Trunk injection, Chapter 21</li> <li>• <i>Stor Bahan Kimia</i>, Chapter 25</li> </ul> <p>Remote photo verification on chemical store is in good condition and locked. Safe and Standard Operating Procedures (SSOP) of “<i>Stor Bahan Kimia</i>” is displayed at notice board.</p> <p>All chemical products are store in original label and packaging. Liquid chemical placed in tray below and powder chemical placed on top.</p>	
f	<p>HSPHB appointed persons in-charge for safety and health for respective estates as follows:</p> <ul style="list-style-type: none"> <li>• Tagas Estate appointed Deputy Manager as person in-charge for safety and health</li> <li>• Lokan Estate appointed Estate Manager as person in-charge for safety and health</li> <li>• Tomanggong Estate appointed Estate Manager as person in-charge for safety and health</li> <li>• Sg Segama Estate appointed Senior Manager as person in-charge for safety and health</li> </ul>	Yes
g	<p>HSPHB estates conducted Safety and Health Committee (SHC) meeting on a quarterly basis in compliance to Occupational Safety &amp; Health Act 1994.</p> <p>Safety and Health Committee is established for each estate represented by both management representative and workers representative.</p> <p>Example:</p> <p>Latest SHC meeting held at Lokan Estate dated 09/09/2020.</p> <p>The meeting agenda includes:</p> <ul style="list-style-type: none"> <li>• Work safety, PPE, harvesting, handling chemicals and accidents / injuries record.</li> </ul>	Yes
h	<p>HSPHB established accident and emergency procedure with list of emergency contact persons, and emergency contact numbers and emergency evacuation plan for all estates.</p> <p>The Emergency Response Procedure and emergency contact details are displayed on the notice board at estate office.</p> <p>Training conducted such as:</p> <ul style="list-style-type: none"> <li>• ERP conducted for estate workers dated 26/10/2020 at Tomanggong Estate.</li> </ul>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>ERP conducted for estate workers dated 28/07/2020 at Sg Segama Estate.</li> </ul> <p>Phone call interview with estate workers informed they are aware of the Emergency Response Procedure.</p>	
i	<p>HSPHB assigned estate workers to attend the First Aid Training conducted by Malaysian Red Crescent Sandakan on 07-08/03/2019 for all the estates.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>4 employees attended the first aid training and appointed as competent first aider by Tomanggong Estate.</li> </ul> <p>List of first aiders displayed at all estate office notice boards.</p> <p>First aid kits available at workshop, stores and estate office managed by trained first aider.</p>	Yes
j	<p>HSPHB established monthly Accident KPI to monitor the accidents and injuries record of all the estates.</p> <p>Reviewed on the accident and injury record of Tagas Estate, Lokan Estate, Temanggong Estate and Sg Segama Estate, no incident more than 4 days medical leave reported from December 2019 until the audit date.</p> <p>Annual Accident Report of Tagas Estate, Lokan Estate, Temanggong Estate and Sg Segama Estate for year 2019 submitted to DOSH before 31/01/2020.</p>	Yes
4.4.5.1	<p>HSPHB established the 'Human Rights Policy' dated 01/10/2016, signed by Chief executive Group plantation.</p> <p>The policy states 'respect and support the universal declaration of human right by the united nations for all workers, contractors, indigenous people, local communities and anyone affected by our operations.'</p> <p>Photo reviewed, verify all the estates and central clinic for Jeroco Group and Tomanggong Group notice boards display the related policy.</p> <p>Complaint and grievance record found no related complaint lodged by stakeholders.</p> <p>Stakeholders meeting conducted on 29/04/2019 is on group level.</p> <p>The stakeholders meeting agenda include the company policies, social issues raised, complaint and grievance.</p> <p>Document review, verify no issue is raised related the human right on external stakeholders meeting.</p> <p>Phone call interview workers informed they are aware on company policies which brief during muster morning.</p> <p>Document review, verify muster morning briefing record discuss on company policies to workers.</p>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Example:</p> <p>Tagas estate</p> <p>Briefing on company policies to worker conducted on 18/03/2020.</p>	
4.4.5.2	<p>HSPHB established by the company 'Equal Opportunity Policy' signed by Chief Executive Group Plantation dated 01/03/2019.</p> <p>The policy states HSPHB shall ensure the hiring, remuneration, access to training, promotion, termination or retirement will be implemented 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>All the estates displayed the policy at the notice board at office.</p> <p>During phone call interview workers, they aware on the non-discrimination and equal opportunity policy and practices in estates.</p> <p>All the estates will conducted the induction of company policy to new worker based on 'Senarai am induksi pekerja', which is included topic such as company policy, PPE, Safety &amp; health and Emergency response</p> <p>Phone call interview workers, they aware company provide the equal opportunity to all workers with discriminate.</p> <p>Review on complaint logbooks from all estates, no discrimination complaint lodged by workers.</p>	Yes
4.4.5.3	<p>All estates briefed to workers on employment contract with all benefit provided to them. The employment contracts are all signed by both party, estates management and workers.</p> <p>The employment contract verify RM1,100 per month and RM42.31 per day. Field workers are either piece rated or daily rated. Payslip review and verify there are no wages paid below the Minimum Wages Order 2018.</p> <p>Overtime rate (during normal overtime, rest day overtime and public holiday overtime), working hours, rest day and etc.</p> <p>The contract agreement are in Bahasa Malaysia language version which able to understand by Indonesia workers.</p> <p>Phone call interview with workers they are aware on the employment contract signed.</p> <p>Phone call interview, workers mutually agreed with the list of piece rated established by HSPHB.</p> <p>Review on payslip, verify deduction on electricity and passport renewal in accordance with Deduction Permit from Jabatan Tenaga Kerja.</p>	Yes
4.4.5.4	<p>Verify HSPHB do not engage contractors for all service in the estate operations. Therefore, no contractor worker wages records available for review.</p>	Yes
4.4.5.5	<p>HSPHB established workers list contain worker containing name, gender, date of birth, date joined, type of work, wages and period of employment.</p>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.6	<p>HSPHB established the contract agreement for workers and signed by workers and estates management.</p> <p>The contract agreement is in Bahasa Malaysia language which can be understand by worker.</p> <p>Verify the copy of agreement and signed the workers and estates management.</p> <p>Phone call interview workers informed they are briefed on contract agreement and the copy of contract agreement and signed.</p>	Yes
4.4.5.7	<p>HSPHB established checkroll book to record attendance of the workers on daily basis.</p> <p>Photo review verify working hour and overtime transparently displayed at the muster ground notice board and well maintained.</p> <p>Phone call interview workers informed they understand the working hours and overtime.</p> <p>Document review on briefing record working hour and overtime to workers conducted on 18/03/2020.</p>	Yes
4.4.5.8	<p>HSPHB established the working hour and breaks time been documented with working hour.</p> <p>The working hours for estates starts from 5:30 am to 1:30 pm with rest time from 10:30 am to 11:00 am.</p> <p>Review on payslip, overtime rate and overtime hours comply with Minimum Wages Order 2018.</p> <p>Phone call interview workers feedback they understand the working hours and overtime time.</p>	Yes
4.4.5.9	<p>HSPHB established payslip as record to document the wages and overtime of the workers.</p> <p>Review on payslip for September 2020, daily rated paid at RM42.31 to workers for holiday and sick leave as describe in the contract agreement in accordance to Minimum Wage Order (amended 2018).</p> <p>Piece rated paid to workers on harvesting, manuring and spraying as follow list of piece rated established and agreed by estates managements and workers.</p> <p>The phone call interviewed verify, workers informed the salary paid in line with legal requirement and list of piece rated.</p>	Yes
4.4.5.10	<p>HSPHB provide benefits to workers such as medical care, SOCSO, EIS and working incentives.</p> <p>Phone call interview workers informed they are provided with the benefits by their employer.</p>	Yes
4.4.5.11	<p>HSPHB adopt the industry best practices for housing.</p>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Water tank, electricity chapel, surau, clinic and grocery store is provide at housing area.</p> <p>Phone call interview workers informed they provided with housing, electricity and water supply.</p>	
4.4.5.12	<p>HSPHB established Sexual harassment, Violence and Abuse Policy has been established and documented dated 20/11/2017 that verified by Chief Executive Group Plantation.</p> <p>HSPHB established Gender committee join by among the female staffs and workers.</p> <p>Photo review, verify the policy display at all estate notice board.</p> <p>Review on gender meeting minutes and phone call interview with female workers verify no related cases lodged.</p> <p>Example:</p> <p>Tagas estate</p> <p>Verify the 'Mesyuarat Ahli Jawatankuasa gangguan seksual dan persatuan wanita' dated 03/06/2020.</p> <p>The meeting has include the workers and staffs the meeting discuss on sexual harassment and violence policy, the rights between male &amp; women workers at workplace, reporting method and others matter.</p> <p>Phone call interview workers aware on Sexual harassment and violence policy display on notice boards.</p> <p>Document review, verify the record of briefing together with worker attendants.</p>	Yes
4.4.5.13	<p>HSPHB established Policy on Freedom of Association and Right to Collective Bargaining dated 01/03/2019 signed by Chief Executive Group Plantation.</p> <p>The policy states HSPHB shall recognize and respects the rights of employees to join trade unions of their choice and bargain collectively subject to the provisions of relevant national legislation.</p> <p>Policy on Freedom of Association and Right to Collective Bargaining states as below:</p> <ol style="list-style-type: none"> <li>1. Non-discrimination practices on no discrimination, no forms of forced labour or trafficked labour.</li> <li>2. Employee contract</li> <li>3. Decent living condition (given freedom express discontent through JCC, equality opportunity)</li> </ol> <p>Phone call interview workers informed they are aware on JCC meeting conducted in their estates.</p> <p>Document review on JCC minutes of meeting, verify the agenda of meeting and attendance list.</p>	



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Example:</p> <p>Tagas estate</p> <p>JCC meeting conducted on 29/06/2020 involved management and workers representative.</p> <p>Document review, JCC minutes of meeting discuss agenda company policies, complaint procedures, safety and good agricultural practices implemented in Tagas Estate.</p>	
4.4.5.14	<p>HSPHB established Child Labour Policy dated 02/01/2017 signed by Chief Executive Group Plantation.</p> <p>Review on the workers list, verify the workers are above the minimum age of employment is based on passport and date of birth updated 31/10/2020.</p> <p>Phone call interview workers informed they are aware on company policies which brief during muster morning.</p> <p>Document review on briefing record verify the briefing on Child Labour Policy to workers.</p> <p>Example:</p> <p>Tagas estate</p> <p>Briefing on Child Labour Policy to worker conducted on 18/03/2020.</p>	Yes
4.4.6.1	<p>HSPHB established training and briefing program for the year 2020.</p> <p>Example of training conducted at Tomanggong estate:</p> <ul style="list-style-type: none"> <li>• Trunk injection conducted on 10/09/2020</li> <li>• First Aid conducted on 09/10/2020</li> <li>• MSPO briefing to contractor conducted on 27/10/2020</li> </ul> <p>Review on the training record includes summary of the training, material, photo and attendance list.</p> <p>Phone call interview with trunk injection workers informed they are aware of the trunk injection SOP.</p>	Yes
4.4.6.2	<p>HSPHB established training program for year 2020 based on the job description of the employees.</p> <p>Example training for Lokan estate:</p> <ul style="list-style-type: none"> <li>• Title: First Aid</li> <li>• Target: Mandor</li> <li>• Date: 09/07/2020</li> </ul> <p>Record of the first aid training includes summary report, photos, material and attendance list is verified.</p>	Yes



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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.6.3	<p>HSPHB established continuous training program for year 2020 by monthly basis which includes company policies and SOPs, safety and health as well as environmental aspects.</p> <p>Example: Sg. Segama estate</p> <ul style="list-style-type: none"> <li>Chemical and fertilizer storage in November</li> <li>First Aid, Operation in Replanting and Transfer of Premix to Field in December</li> </ul>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>HSPHB established Environmental Policy dated 15/11/2018 signed by the Chief Executive-Group Plantation.</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>HSPHB establish Environmental Impact Assessment, Management Action Plan and Continuous Improvement Plan by group.</p> <p>Jeroco Group of Estates dated 27/06/2020 Tomanggong Group of Estates dated 18/08/2020 – 19/08/2020 and SSGOEs dated 01/03/2020.</p> <p>The plan includes the activities, environmental aspects, environmental impacts, actions plan, CIP, timeframe, responsibility, and remarks.</p> <p>Phone call interviewed with workers informed they are aware of environmental issue and policy.</p> <p>The environmental policy is displayed at estates notice boards and workers housing.</p> <p>Site verification with photos and recorded video provided during the audit confirm the environmental management plan is implemented.</p> <p>Example:</p> <p>Tagas estate:</p> <p>Environment policy training conducted on 13/01/2020.</p> <p>Tomanggong estate:</p> <p>Environment policy training conducted on 13/01/2020.</p>	Yes
4.5.1.2	<p>a HSPHB established Environmental Policy dated 15/11/2018 signed by Chief Executive – Group Plantation.</p> <p>HSPHB are committed to protect environment and conserve biodiversity for future generations. Shall strive to maintain good balance between environmental conservation and business objectives through:</p>	Yes



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### Principle 5: Environment, natural resources, biodiversity and ecosystem services

Indicator	Summary of Assessment	Compliance						
	<ul style="list-style-type: none"> <li>- Establish appropriate infrastructures and responsibility for environmental affairs within the organization and carry out appropriate and routine assessment and reporting procedures on such issues.</li> <li>- Endeavor to preserve high conservation value tropical forest and natural areas of unique scientific, historical and cultural interest for posterity.</li> <li>- Undertake to carry out EIA studies on new land developments in compliance with Environmental Protection Department and Department of Environment requirements.</li> <li>- Complying with all relevant environment legislation of the country.</li> <li>- Take judicious actions to minimize environmental pollution.</li> </ul>							
	<p><b>b</b> HSPHB establish Environmental Impact Assessment Management Action Plan and Continuous Improvement Plan.</p> <p>Jeroco Group of Estates dated 27/06/2020 Tomanggong Group of Estates dated 18/08/2020 – 19/08/2020 and SSGOEs dated 01/03/2020.</p> <p>Example of activities:</p> <p>Harvesting, manuring, spraying, manuring, pest infestation, transportation EFB / FFB / workers, office work, workshop and scheduled waste store, chemical and fertilizer store, diesel tank, generator house, housing area, landfill, scrap metal, HCV, nursery, replanting and chemical mixing.</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 contamination of surface and groundwater source.</td></tr> </tbody> </table> <p>Documents review is crosscheck with site verification via photos and recorded video for landfill area to verify the implementations.</p>	Activities	Environmental aspects	Environmental impacts	Landfill	Disposal of domestic wastes	Negative impacts contamination of surface and groundwater source.	Yes
Activities	Environmental aspects	Environmental impacts						
Landfill	Disposal of domestic wastes	Negative impacts contamination of surface and groundwater source.						
4.5.1.3	<p>HSPHB establish Environmental Impact Assessment Management Action Plan and Continuous Improvement Plan.</p> <p>The plan includes mitigation of negative impacts and to promote the positive ones.</p> <p>Example:</p> <p>Activity: Manuring</p>	Yes						



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Indicator	Summary of Assessment	Compliance
	<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 and not to apply fertilizer during raining or at flooded area.</p> <p>Positive impacts: Improvement of the oil palm yield and soil fertility due to effective fertilizer application.</p> <p>Site verification with photos and recorded video sighted there are no manuring activity conducted as the area is marking with red color and install with appropriate signage and well maintained.</p> <p>Phone call interviewed with workers informed, no chemical spraying and manuring conducted within the area.</p>	
4.5.1.4	<p>The EIA includes the table to promote the positive impacts.</p> <p>Example:</p> <p>Activity: 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. The pruning standard is closely monitor by agronomist department.</p> <p>Timeframe: On going implementation</p> <p>Remarks: Oil Palm Agriculture Policy (OPAP)</p> <p>Site verification with photos and recorded video confirmed the pruned oil palm frond is properly arrange within the palm rows.</p>	Yes
4.5.1.5	<p>All estates established training programme year 2020. The training programme has include environmental policy training.</p> <p>Example:</p> <p>Tagas estate established training program dated 07/01/2020 for year 2020.</p> <p>Environment policy training conducted on 13/01/2020. The attendance list provided is compared with list of workers for confirmation.</p> <p>Based on phone call interview, the workers are aware of environmental aspect, safety and health and impact on environments.</p>	Yes
4.5.1.6	HSPHB conduct quarterly environmental meetings with staff and workers.	Yes



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### Principle 5: Environment, natural resources, biodiversity and ecosystem services

Indicator	Summary of Assessment	Compliance										
	<p>The meeting agenda includes the agenda recycle wastes, domestic wastes, scheduled wastes, zero burning / open burning, manuring, hunting and landfill.</p> <p>Example meeting conducted:</p> <table><tr><td>Estate</td><td>Date</td></tr><tr><td>Tagas</td><td>11/09/2020.</td></tr><tr><td>Lokan</td><td>09/09/2020.</td></tr><tr><td>Tomanggong</td><td>04/09/2020.</td></tr><tr><td>Sg. Segama</td><td>25/09/2020.</td></tr></table>	Estate	Date	Tagas	11/09/2020.	Lokan	09/09/2020.	Tomanggong	04/09/2020.	Sg. Segama	25/09/2020.	
Estate	Date											
Tagas	11/09/2020.											
Lokan	09/09/2020.											
Tomanggong	04/09/2020.											
Sg. Segama	25/09/2020.											
4.5.2.1	<p>HSPHB established fossil fuels management plan records that include 5 years baseline for diesel consumption from 2015 to 2019 for all estates</p> <p>Example:</p> <p>Lokan estate established baseline for diesel consumption for 5 years from 2015 to 2019.</p> <p>The baseline from 2015 to 2019 are used for monitoring diesel usage in year 2020. Fuel consumption records for month of January until Sept 2020 compared with baseline established.</p> <p>There are fluctuation due to volume of crop production. Diesel consumption per mt of FFB monitored as part of control measure.</p> <p>Graph of diesel consumption is established to closely monitor the monthly diesel usage. Estates conduct monitoring of diesel usage by establish summary of diesel usage combine with graph pattern for effective monitoring.</p>	Yes										
4.5.2.2	<p>HSPHB established budget for fuel consumption year 2020 of all estates.</p> <p>Example:</p> <p>Lokan estate established budget for fuel consumption for year 2020. The actual diesel usage for the month of January until September 2020 is recorded and maintained.</p> <p>The fuel consumption records indicate the actual fuel usage is high against the budgeted due to high volume of crop productions.</p>	Yes										
4.5.2.3	<p>HSPHB use renewable energy from biogas plant to generate electricity for housing at Sg Segama complex, Kapis estate and Batangan estate.</p> <p>Solar panels for electric fencing available at estates boundary.</p>	Yes										
4.5.3.1	<p>HSPHB established Waste Management Plan for each estates group contains of list of wastes generated dated 10/06/2020 for Jeroco group of estates, 17/08/2020 for Tomanggong group of estates and 01/03/2020 for Sg Segama group of estates.</p> <p>There are 3 types of waste identified in the WMP includes solid, liquid and gaseous.</p>	Yes										



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Principle 5: Environment, natural resources, biodiversity and ecosystem services														
Indicator	Summary of Assessment	Compliance												
	<p>Example type of wastes and sources:</p> <table border="1"> <thead> <tr> <th>Type</th><th>Waste</th><th>Source</th></tr> </thead> <tbody> <tr> <td>Solid</td><td>Chemical container</td><td>Agricultural</td></tr> <tr> <td>Liquid</td><td>Mixing chemical and rinsing containers</td><td>Farm</td></tr> <tr> <td>Gaseous</td><td>Carbon Monoxide</td><td>Farm tractor</td></tr> </tbody> </table> <p>Further review on waste inventory records, confirmed the records are documented and maintained.</p> <p>Further verification with photos and recorded video confirmed the wastes and sources of wastes are identified and monitored accordingly.</p>	Type	Waste	Source	Solid	Chemical container	Agricultural	Liquid	Mixing chemical and rinsing containers	Farm	Gaseous	Carbon Monoxide	Farm tractor	
Type	Waste	Source												
Solid	Chemical container	Agricultural												
Liquid	Mixing chemical and rinsing containers	Farm												
Gaseous	Carbon Monoxide	Farm tractor												
4.5.3.2	<p>a HSPHB established waste management plan dated 17/08/2020.</p> <p>Example:</p> <p>Type of waste: Spill liquid chemical during transporting and mixing</p> <p>Source: Agricultural</p> <p>Category: Liquid</p> <p>Reduce: Procedure established to avoid and react to incident of spillage</p> <p>Treatment: Containment, cleaning using spill kit</p> <p>Recorded video and photos provided, confirmed the spill kit is available at pre-mixing area.</p> <p>Phone call interview with chemical spraying workers informed they are aware use of spill kit when spillage occur.</p>	Yes												
	<p>b HSPHB established list of wastes and continuous improvement management plan includes re-cycle, reuse and reduced of wastes.</p> <p>Example:</p> <p>Activity: Harvesting frond stacking</p> <p>Pruned oil palm fronds: Reused to enhance soil nutrient, retain soil moisture and reduce soil moisture.</p> <p>Activity: Chemical spraying</p> <p>Empty chemical container: Reused after conducted triple rinsed.</p> <p>Recorded video and photos provided confirmed the pruned oil palm fronds is fully utilized to minimize soil erosion and as nutrient to the soil.</p> <p>Photos provided at chemical spraying activity confirmed the empty chemical containers reused for water storage.</p>	Yes												
4.5.3.3	HSPHB established SOP Triple Rinse Used Chemical Container date 2016 doc no HSPSB/SSOP/6-17 new update 02/03/2017.	Yes												



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Indicator	Summary of Assessment			Compliance																
	<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.</p> <p>Review on scheduled wastes inventory record, confirmed all scheduled waste are properly recorded and stored.</p> <p>Review on consignment note from authorised collector, confirmed the scheduled wastes is disposed not more than 180 days and quantity are not more than 20mt.</p>																			
4.5.3.4	<p>HSPHB established list of wastes and continuous improvement management plan dated 10/06/2020.</p> <p>The plan includes managing of empty chemical containers.</p> <p>Empty chemical containers are wash and rinsed 3 times, punctured, stored and disposed by DOE authorised collector.</p> <p>Collection by authorized contractor within 180 days or 6 month as per DOE requirements.</p> <p>Records of collecting scheduled wastes by authorized contractor is archived and maintained.</p>			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 with photos, map and recorded video confirmed the signage is install to indicate opening and closing date, have a proper fencing, and only domestic wastes is disposed in the landfill.</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 wastes and sources generated with category solid, liquid and gaseous.</p> <p>Example:</p> <table><tr><th>Category</th><th>Source</th><th>Waste</th><th>Disposal / treatment method</th></tr><tr><td>Solid</td><td>Workshop</td><td>Used battery</td><td>3<sup>rd</sup> party authorised scheduled wastes collector</td></tr><tr><td>Liquid</td><td>Workshop</td><td>Maintenance oil</td><td>3<sup>rd</sup> party authorised scheduled wastes collector</td></tr><tr><td>Gaseous</td><td>Farm tractor / generator set</td><td>Smoke emission</td><td>Regular maintenance of machines.</td></tr></table> <p>Review on scheduled waste inventory records, confirmed wastes are identified on their categories. The records indicates the incoming wastes and disposal of wastes.</p>			Category	Source	Waste	Disposal / treatment method	Solid	Workshop	Used battery	3 <sup>rd</sup> party authorised scheduled wastes collector	Liquid	Workshop	Maintenance oil	3 <sup>rd</sup> party authorised scheduled wastes collector	Gaseous	Farm tractor / generator set	Smoke emission	Regular maintenance of machines.	Yes
Category	Source	Waste	Disposal / treatment method																	
Solid	Workshop	Used battery	3 <sup>rd</sup> party authorised scheduled wastes collector																	
Liquid	Workshop	Maintenance oil	3 <sup>rd</sup> party authorised scheduled wastes collector																	
Gaseous	Farm tractor / generator set	Smoke emission	Regular maintenance of machines.																	



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Indicator	Summary of Assessment	Compliance
	Further verification with consignment records from authorised collector confirmed the scheduled wastes has been collected within 6 month and quantity are not more than 20mt.	
4.5.4.2	<p>HSPHB established Environmental Impact Assessment, Management Action Plans and Continuous Action Plan include a table fossil management plan describing source, environmental impact and mitigation measure / action taken.</p> <p>Example:</p> <p>Source: Genset</p> <p>Fuel: Diesel</p> <p>Environmental Impact: Release of gaseous NOx, Sox and CO to the atmosphere 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> <p>Example:</p> <p>Lokan estate</p> <p>Further verification with vehicles service records confirmed the mitigation measure to reduce significant pollutions.</p>	Yes
4.5.5.1	<p>a Water Management plan established by Tomanggong Group of estate dated 31/10/2012 and latest updated on 14<sup>th</sup> August 2020, Jeroco Group of estates dated 31/10/2012 and latest updated on 10/06/ 2020 and Sg. Segama Group of estates dated 21/03/2013 and latest updated on 01/03/ 2020 has identified water source and usage.</p> <p>Example:</p> <p>Tagas, Tomanggong, Lokan and Sg. Segama estates:</p> <p>Water source: Rain water and water catchment pond</p> <p>Water usage: Domestic usage and field operations</p>	Yes
	<p>b HSPHB monitor upstream and downstream for all estates by conducting water quality test by 3<sup>rd</sup> party consultant on quarterly basis.</p> <p>Example:</p> <p>Latest water analysis report dated 08/09/2020 is review and analysis result is within the limits of Class IIB and Class III under National Water Quality Standard for Malaysia (NWQSM)</p> <p>HPSB raw water quality test conducted on half-yearly basis by HPSB internal central lab.</p>	Yes
	<p>c HSPHB group established rainfall records to manage water usage for domestics and field operations.</p>	Yes



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Indicator	Summary of Assessment	Compliance
	<p>Empty chemical containers rinsing water recycle for chemical premix.</p> <p>Estates has established the residential &amp; utility building inspection records weekly buildings checking to monitor any leakage of water. \</p> <p>Example:</p> <p>Tagas estate: Latest inspection record conducted in October 2020 is review.</p> <p>Lokan estate: Latest inspection record conducted in 25/10/2020 is review.</p> <p>Tomanggong estate: Latest inspection record conducted in 30/09/2020 is review.</p> <p>Sg. Segama estate: Latest inspection record conducted in 23/09/2020 is review.</p>	
d	<p>HSPHB established SOP Riparian zone, doc HSPSB/SOP/15-17 dated 2016 and updated 2017.</p> <p>The SOP describes no fertilizer and chemical spraying activities at buffer zone areas.</p> <p>The Water Management plan established by Tomanggong Group of estate dated 31/10/2012 and latest updated on 14/08/2020, Jeroco Group of estates dated 31/10/2012 and latest updated on 10/06/2020 and Sg. Segama Group of estates dated 21/03/2013 and latest updated on 01/03/2020 include water conservation and protection of waterways.</p> <p>Example:</p> <p>Review on photos and video evidence on riparian area at Sg. Litang Kecil at Sg. Segama estate observed riparian area maintained with palms trees marked with red colour.</p> <p>Interview with workers via phone call feedback they are aware and understood that spraying and fertilizing activities are prohibited at buffer zone area.</p>	Yes
e	<p>Water Management plan established by Tomanggong Group of estate dated 31/10/2012 and latest updated on 14<sup>th</sup> August 2020, Jeroco Group of estates dated 31/10/2012 and latest updated on 10/06/2020 and Sg. Segama Group of estates dated 21/03/2013 and latest updated on 01/03/2020.</p> <p>The water management plan describes under point 5.2; buffer zone/riparian reserve of the streams and rivers natural vegetation is allowed to grow naturally and the streams to be rehabilitated with riparian reserve.</p> <p>Example:</p> <p>Review on photos and video evidence no vegetation removed at Sg. Litang Kecil at Sg. Segama estate.</p>	Yes



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Indicator	Summary of Assessment	Compliance
	<p>f Water Management plan established by Tomanggong Group of estate dated 31/10/2012 and latest updated on 14<sup>th</sup> August 2020, Jeroco Group of estates dated 31/10/2012 and latest updated on 10/06/ 2020 and Sg. Segama Group of estates dated 21/03/2013 and latest updated on 01/03/ 2020 describes that source of water supply are from rain water and water ponds.</p> <p>Interview with the estates management and workers via phone call inform water source are supply from rain water and water pond, bore well is not applicable in HSPSB.</p>	Yes
4.5.5.2	Review on photos and videos at Sg. Litang, Sg. Segama estate and Sg. Simpang Kiri at Lokan estate observed no construction of bunds or weirs.	Yes
4.5.5.3	<p>Water Management plan established by Tomanggong Group of estate dated 31/10/2012 and latest updated on 14<sup>th</sup> August 2020, Jeroco Group of estates dated 31/10/2012 and latest updated on 10/06/ 2020 and Sg. Segama Group of estates dated 21/03/2013 and latest updated on 01/03/ 2020 describes that rain harvesting is practices by estates.</p> <p>Example:</p> <p>Review on video and photos of worker housing at Lokan and Tagas estats observed rain gutter is installed to collect rain water.</p>	Yes
4.5.6.1	<p>a HSPHB established Potential High Conservation Value (HCV) Area Assessment Report include identification type of biodiversity habitat and wildlife that might effected by plantation activities. List of identified wildlife:</p> <ul style="list-style-type: none"> <li>• Bearded pig</li> <li>• Pig tailed Macaque</li> <li>• Marron leaf monkey</li> <li>• Oriental Small-clawed otter</li> </ul> <p>HSPHB established monthly monitoring checklist for RTE species and potential HCV area.</p>	Yes
	<p>b Review on photos and videos evidence observed that estates displayed the policy and type of protected animal species according to Sabah wildlife schedule 1, 2 &amp; 3 and location of potential HCV of the respective estates at estates notice boards.</p> <p>Interview with workers via phone call feedback they are aware on type of protected wildlife such as elephant and Orang Utan and no illegal hunting within the plantations areas.</p>	Yes
4.5.6.2	<p>a HSPHB established Rare, Threatened &amp; Endangered species policy dated 20/11/2017 approved by Chief Executive - Group Plantation states that:-</p> <ul style="list-style-type: none"> <li>• HSPHB committed to work together with Sabah Wildlife Department and Sabah Forestry Department and continue to</li> </ul>	Yes



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Indicator	Summary of Assessment	Compliance
	<p>support the local, national and international efforts in the RTE species conservation strategies.</p> <ul style="list-style-type: none"> <li>Educating our employees and stakeholders on hunting legislation and penalties of Sabah Wildlife Conservation Enactment 1997 and Malaysia Wildlife Conservation Act 2010 to prohibit hunting activities throughout our plantation operations.</li> </ul> <p>Review on video and photos observed that signboard on prohibition of illegal hunting and type of RTE species is installed and displayed at estate main entrance gate and HCV areas.</p>	
b	<p>HSPHB adopted 2 policies and a SOP that addressed on illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.</p> <ol style="list-style-type: none"> <li>Sustainable Agriculture Policy dated 15/08/2019, policy stated that prohibit hunting, capturing, poaching, injury, possession and killing animals especially Rare, Threatened and Endangered (RTE) species. It also stated that HSPHB is committed to promote the conservation and development of biodiversity within HSPHB group of plantations.</li> <li>Rare, Threatened &amp; Endangered Species Policy dated 20/11/2017, stated the management will take appropriate action to call the authorities of Department of Wildlife or the police if found any activity on hunting, capturing, poaching, injury, possession and killing the RTE species.</li> <li>SOP Riparian Zone (HSPSB/SOP/16-17) reviewed on 31/01/2017. SOP stated that fishing is prohibited on riparian zone.</li> </ol> <p>Interview with the workers via phone call feedback they are aware on protection of wildlife and penalty in hunting or capturing any wildlife.</p> <p>Regular briefing to workers during morning muster on type of wildlife in the estate and consequence of illegal hunting.</p> <p>Example:</p> <p>Briefing on RTE species and protection of wildlife conducted as follows:</p> <p>Tagas estate conducted on 11/05/2020.</p> <p>Sg. Segama estate conduct on 11/02/2020.</p>	Yes
4.5.6.3	<p>HSPHB had established monthly monitoring programme of wildlife on monthly basis.</p> <p>Example:</p> <p>Tagas estate: Review monthly monitoring record dated 08/08/20 inspected by field conductor at block JRO 08E. Wildlife sighted are Malay Civet and pangolin.</p>	Yes



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Indicator	Summary of Assessment	Compliance
	<p>Lokan estate: Review monthly monitoring record dated 23/10/20 inspected by field conductor at block RP1837/38. Wildlife sighted are Silver leaf monkey, monitor lizard and "But-but" bird</p> <p>Tomanggong estate: Review monthly monitoring record dated 06/10/20 inspected by field conductor at block IR15B. Wildlife sighted are Monkey and wild boar.</p> <p>Sg. Segama estate: Review monthly monitoring record dated 16/10/20 inspected by field conductor at block 94C4. Wildlife sighted are Jungle Fowl.</p>	
4.5.7.1	<p>HSPHB had adopted Sustainable Agriculture Policy dated 15/08/2019, policy describe on implementation of strict zero burning policy practised for all their operations.</p> <p>HSPHB – Oil Palm Agricultural policy (OPAP) reference: OPAP No.2 dated October 2014 Point no.2 states that HSPHB adopts zero burn policy for replanting.</p> <p>Review on photos and videos evidence for field, housing area and landfill area observed no sign of burning sighted.</p> <p>Review on photos and videos evidence replanting area at Tomanggong and Sg. Segama estates observed no sign of burning.</p>	Yes
4.5.7.2	<p>Interview with estate management, review on photos and videos, no disease observed at field operations that required burning method to be treated. Therefore, no special approval for open burning from relevant authorities.</p>	Yes
4.5.7.3	<p>Interview with estate management, review on photos and videos, no disease observed at field operations that required burning method to be treated. There are no application documents required for approval of controlled burning.</p>	Yes
4.5.7.4	<p>Review on photos and videos evidence replanting area at Tomanggong and Sg. Segama estates observed no sign of burning.</p>	Yes

### Principle 6: Best Practices

Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>HSPHB established Standard operating procedure (SOP) updated on 06/10/2020. The SOPs covers all estate operations.</p> <p>Example of SOPs:</p> <ol style="list-style-type: none"> <li>1. Harvesting updated on 2018.</li> <li>2. Manuring updated on 2017.</li> <li>3. Chemical spraying updated on 2017</li> <li>4. Infectious disease, pandemic, covid-19 &amp; natural disaster</li> </ol> <p>All Estates has conducted SOP training.</p>	Yes



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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>Example:</p> <p>Lokan estate</p> <ol style="list-style-type: none"> <li>1. SOP for chemical spraying dated 20/02/2020.</li> <li>2. SOP for replanting operation dated 09/07/2020.</li> <li>3. Infectious disease, pandemic, covid-19 &amp; natural disaster dated 03/08/2020</li> </ol> <p>Phone call interviewed with workers informed the SOP training has been conducted.</p> <p>Based on recorded video, confirmed the briefing and implementation of Covid-19 precaution has been carried out.</p> <p>Review on documents provided, photos and recorded videos confirmed estates has implements best practices;</p> <ul style="list-style-type: none"> <li>- Proper fronds stacked</li> <li>- Planting of beneficial plant at replanting area</li> <li>- Good palm circle maintenance</li> </ul>	
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>Example:</p> <p>Tagas estate / Lokan estate / Tomanggong estate / Sg Segama estate</p> <p>Site verification with maps, photos and recorded video confirmed there are no planting on slopes above 25°, cover crops planted to maintain soil moisture and prevent soil erosion.</p>	Yes
4.6.1.3	<p>HSPHB established block marker to identifying block number, field size, planting material, estate and year of planting.</p> <p>Example:</p> <p>Estate: Lokan</p> <p>Block: 1840 (year 2018 planting / block number 40)</p>	Yes



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### Principle 6: Best Practices

Indicator	Summary of Assessment	Compliance																																																
	Ha: 37 Planting material: Sime Darby																																																	
4.6.2.1	HSPHB established 5 years budget from 2020 to 2024 dated 29/06/2020. The budget include the following: <ul style="list-style-type: none"><li>• FFB projections</li><li>• Yields/ha</li><li>• Cost/ha</li><li>• Cost/ton.</li><li>• Building budget</li></ul>	Yes																																																
4.6.2.2	HSPHB established Replanting Programme from 2020 until 2031 dated 21/05/2020 for all group of estates. Example: Tagas estate: <table><tr><td>Program</td><td colspan="3">Re-Planting area Ha in each estate</td></tr><tr><td>Year</td><td>2023</td><td>2024</td><td>2028</td></tr><tr><td>Ha</td><td>189</td><td>185</td><td>313.50</td></tr></table> Lokan estate: <table><tr><td>Program</td><td colspan="3">Re-Planting area Ha in each estate</td></tr><tr><td>Year</td><td>2027</td><td>2028</td><td>2029</td></tr><tr><td>Ha</td><td>212</td><td>227</td><td>381</td></tr></table> Tomanggong estate: <table><tr><td>Program</td><td colspan="3">Re-Planting area Ha in each estate</td></tr><tr><td>Year</td><td>2020</td><td>2021</td><td>2024</td></tr><tr><td>Ha</td><td>180</td><td>403</td><td>191</td></tr></table> Sg. Segama estate: <table><tr><td>Program</td><td colspan="3">Re-Planting area Ha in each estate</td></tr><tr><td>Year</td><td>2020</td><td>2021</td><td>2023</td></tr><tr><td>Ha</td><td>528</td><td>108</td><td>540.5</td></tr></table>	Program	Re-Planting area Ha in each estate			Year	2023	2024	2028	Ha	189	185	313.50	Program	Re-Planting area Ha in each estate			Year	2027	2028	2029	Ha	212	227	381	Program	Re-Planting area Ha in each estate			Year	2020	2021	2024	Ha	180	403	191	Program	Re-Planting area Ha in each estate			Year	2020	2021	2023	Ha	528	108	540.5	Yes
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Year	2020	2021	2023																																															
Ha	528	108	540.5																																															
4.6.2.3	HSPHB established business management plan dated 29/06/2020 includes: <ul style="list-style-type: none"><li>1. FFB projection (Mt)</li><li>2. Yield/Ha (Mt/Ha)</li><li>3. Estate operating cost/mt</li><li>4. Planting material</li></ul>	Yes																																																



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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>5. Capex</p> <p>6. Revenue, profit &amp; loss</p>	
4.6.2.4	HSPHB established monthly progress report include FFB production, yield production expenses, capex expenses to compare against the projection.	Yes
4.6.3.1	HSPHB purchase fertilizers from supplier by issuing purchase order describing the product, price terms of payment and quantity required.	Yes
4.6.3.2	<p>HSPHB purchase chemicals from supplier basing on the chemical quotation received from supplier.</p> <p>HSPHB issue purchase order for purchase of chemical based on the quotation from supplier with agreed price and terms of payment.</p> <p>Payment made timely according to the agreed terms and conditions.</p>	Yes
4.6.4.1	<p>HSPHB engage outsourced contractors for Lokan and Sg. Segama estate.</p> <p>Lokan estate engaged with outsourced contractors for construction of temporary wooden workers quarters.</p> <p>Sg. Segama estate engaged with outsourced contractors for replanting work.</p> <p>Review on contract agreements under point (e) describes contractor shall understand the requirements of MSPO and participate in trainings related to sustainability certification standard requirements carry out by HSPHB.</p>	Yes
4.6.4.2	<p>HSPHB engage outsourced contractors for Lokan and Sg. Segama estate.</p> <p>Contract agreements are review has been duly signed by both parties prior commence of work.</p>	Yes
4.6.4.3	<p>HSPHB engage outsourced contractors for Lokan and Sg. Segama estate.</p> <p>Contract agreements are review in point (e) describes that relevant sustainability certification body have the access to contractor or operation when required.</p>	Yes
4.6.4.4	<p>HSPHB engage outsourced contractors for Lokan and Sg. Segama estate.</p> <p>HSPHB monitor the completion of the contractor work via progress payment claim and contractor completion certificate.</p>	Yes



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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>The planting statements are review. There is no new planting at HSPHB.</p> <p>Example:</p> <p>The 1<sup>st</sup> replanting in Sungai Segama estate in year 2016 while 1<sup>st</sup> planting in Litang estate in year 1992.</p> <p>Replanting statements of each estates is review. There is replanting conducted in Tomanggong and Sg Segama estate.</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. The HCV had been identified.</p>	Yes
4.7.1.2	<p>The planting statements are review. There is no new planting in HSPHB group estates.</p> <p>Replanting statements for the group review has a total of 14,524.20 Ha and therefore, EIA is required. In this aspect, 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 and approved by Environment Protection Department Sabah date 14/02/2014.</p> <p>The replanting in Tomanggong and Sungai Segama estates of 180 ha and 527.56 ha respectively is included in the report.</p>	Yes
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 soil maps established.	Yes
4.7.4.2	The planting statements are review and there are no new planting at HSPHB. Therefore, no topography maps established.	Yes
4.7.5.1	The planting statements are review and there are no new planting at HSPHB. Therefore, no topography maps and permits established.	Yes
4.7.5.2	The planting statements are review and there are no new planting at HSPHB. Therefore, no monitoring management plans for fragile and marginal soil 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



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

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

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



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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.		
<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>			



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Non Conformity Number 1	
<ol style="list-style-type: none"><li>1. 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>2. Estate Management immediately issued the payment of maternity leave for Surianti Binti Asis on 2.10.2019 <b>(Attachment 1.2a)</b></li></ol>	
<b>Corrective / Preventive Action (by company)</b>	
<ol style="list-style-type: none"><li>1. 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>2. 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>1. 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>2. 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>	
Documents provided has confirmed the following: <ol style="list-style-type: none"><li>1. Review on Memorandum of agreement for working on weekends and public holidays. The agreement is duly agreed and signed by management and workers.<ul style="list-style-type: none"><li>- HSPHB established checkroll book and overtime form to control the overtime taken by workers on monthly basis. This is to avoid the continuous work without rest days.</li><li>- Interview workers inform they are willingly work during their rest day and overtime taken. They understand on the Memorandum of agreement they signed for getting the approval from their management.</li><li>- Document crosscheck between checkroll and payslip show that management had paid their overtime and wages within the requirement of Sabah Labour Ordinance.</li></ul></li><li>2. Payments voucher for maternity leave to respective workers is review and confirmed the payments has been made accordingly.<ul style="list-style-type: none"><li>- There are no workers on maternity leave as per audit date.</li></ul></li></ol>	
Therefore, the implementation could be consider appropriate.	
<b>Name of Lead Auditor / Auditor:</b> Mohd Nur Amin bin Mohd Halim	<b>Date of Review:</b> 02/11/2020



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### 4.6. Detail of Remote Audit Findings Identified during this audit

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

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

Nr.	Indicator	Description	Location	Opportunity for Improvement
1	4.4.1.1	Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. (MINOR)	Sg Segama	HSPHB could improve the SIA at replanting area on timeline completion status.
2	4.5.5.1 (a)	Assessment of water usage and sources of supply	Tomanggo ng estate	HSPHB could consider improve in any updates of water supply in water management plan.

## 5. CONCLUSION

Hap Seng Plantations Holdings Berhad – Plantations Central Office Group Estates has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit consisting of 13 estates according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

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

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

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

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

Total certified number of estates:	13
Total certified production area:	34,468.91 Ha
Certified FFBs January to October 2020:	517,405.22 Mt
Project FFBs November to December 2020:	130,484.00 Mt
Project FFBs January to December 2021:	679,070.00 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

	Recommended for Certification
<b>X</b>	Recommended for Continuity of Certification
	Recommended for Suspension of Certification

Puchong, 17/12/2020

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

Puchong, 17/12/2020

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



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

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

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities 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