



MSPO CERTIFICATION SUMMARY REPORT

OTT CONSULTANTS SDN BHD
(OTT SABAH ESTATES GROUP)

STAGE 2 – CERTIFICATION AUDIT

Date: 30/12/2019

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MSPO Certification Summary Report

Company Name: OTT Consultants Sdn Bhd (OTT Sabah Estates)

Certifying Unit: OTT Consultants Sdn Bhd (OTT Sabah Estates)

Client Number: 92-111

Audit Type: Stage 2 – Certification



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Abbreviations

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

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1. Introduction

OTT Consultants Sdn Bhd is a group manager has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct stage 1 and certification audit for 4 oil palm estates located in Sabah according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this certification audit is to assess the 4 estates by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation established by the group office.

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

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

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

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

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

1.3. Appointment and qualification of team members

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

Qualification of the Lead Auditor: Zul Hairi Bin Abu Hassan

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 vii) Other relevant related fields	Graduate in Plantation Industry Management.

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Requirement	Qualifications
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)	9 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530 series training
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 based on audit log.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and/ or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	9 years working experience in oil palm plantations.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	9 years working experience in oil palm plantations.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed ISO 45001:2018 Lead Auditor course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training and auditor for RSPO and MSPO schemes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed ISO 14001 LA course and auditor for RSPO and MSPO scheme.

Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life	Sheron Pui Ling Wui	Bachelor in Medical Science	Yes

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Requirement	Assessor	Qualification	Compliance
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			
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)	Sheron Pui Ling Wui	Qualified as auditor base on audit log.	Yes
Successfully completed MS 2530 series of standards training	Sheron Pui Ling Wui	Successfully complete MSPO MS2530:2013 series LA training.	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Sheron Pui Ling Wui	Qualified as auditor base on audit log.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and / or any other local language.	Sheron Pui Ling Wui	Able to communicate in Bahasa Malaysia, Chinese and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Sheron Pui Ling Wui	Qualified MSPO auditor. Have been conducting audit for both MSPO and RSPO	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Sheron Pui Ling Wui	Qualified as auditor for MSPO and RSPO scheme.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Sheron Pui Ling Wui	Successfully completed ISO 45001:2018 Lead Auditor course.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Sheron Pui Ling Wui	Successfully completed Basic SA 8000 training. Qualified as auditor for MSPO and RSPO scheme.	Yes

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Requirement	Assessor	Qualification	Compliance
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Sheron Pui Ling Wui	Successfully completed ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes

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2. Methodology

The audit approach consists of the following steps:

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

The certification audit is conducted in 2 stages in accordance to the certification procedure.

Stage 1:

Stage 1 is conducted on 28/05/2019 at office that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
 - Group Operating Policies
 - Estate maps
 - Land titles
 - Standard Operating Procedures including Agricultural Manual
 - Work Flow Charts
 - Operating licenses and approvals
 - Operating records
 - Training records
 - Applicable Legislation Documents
- Interviews of relevant operation personnel

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- Assessment reporting

Certification Audit:

Certification audit was conducted on 21/10/2019 to 23/10/2019 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of estate facilities and field activities;
- Interview operation personnel and field workers for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of non-conformance raised during stage 1 audit;
- Assessment reporting;

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

On-site Assessment

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

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

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

Based on the formula, the sample size for the estate $S = 0.8\sqrt{4} = 1.6$, therefore round up to the next integral of 2 estates. Thus, a total of 2 estates are selected for the onsite assessment and inspection as listed in Table 2-1 below:

Table 2-1: List of Estates Selected

Name of Estate	Coordinates
Makmur Mega estate	5°51'40.2"N 117°51'30.8"E
Ladang Wangsanis	5°49'1.15032"N 117°37'2.14716"E

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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

OTT Consultants Sdn Bhd is group manager managing a group of plantations in Peninsular and Sabah is located in Cheras, Kuala Lumpur.

The details of the 4 estates in Sabah as below:

Name of Estate	Location	Coordinates
Makmur Mega	Batu 21, Sandakan	5°51'40.2"N 117°51'30.8"E
Ladang Wangsanis	Kg. Balaban, Beluran	5°49'1.15032"N 117°37'2.14716"E
Ladang Berjasa	Kg. Balaban, Beluran	5°49'1.15032"N 117°37'2.14716"E
Idea Hectare	Kg. Balaban, Beluran	5°49'1.15032" 117°37'2.14716"E

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (Mt) (Jan 2020 to Dec 2020)
	Total*	Production**	
Makmur Mega	454.46	431.85	5,999.00
Ladang Wangsanis	98.06	72.56	1,440.00
Ladang Berjasa	98.59	97.02	1,412.00
Idea Hectare	52.55	51.36	891.00
Total	703.66	652.79	9,742.00

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

**Immature + Mature Area

3.2. Planting Program for Each Estate

Year / estate	Makmur Mega	Ladang Wangsanis	Ladang Berjasa	Idea Hectare
1995	431.85	0.00	97.02	0.00
1998	0.00	36.98	0.00	51.36
2007	0.00	14.76	0.00	0.00
2009	0.00	7.79	0.00	0.00
2011	0.00	13.03	0.00	0.00
Total Mature	431.85	72.56	97.02	51.36
Total Immature	-	-	-	-
Total	431.85	72.56	97.02	51.36

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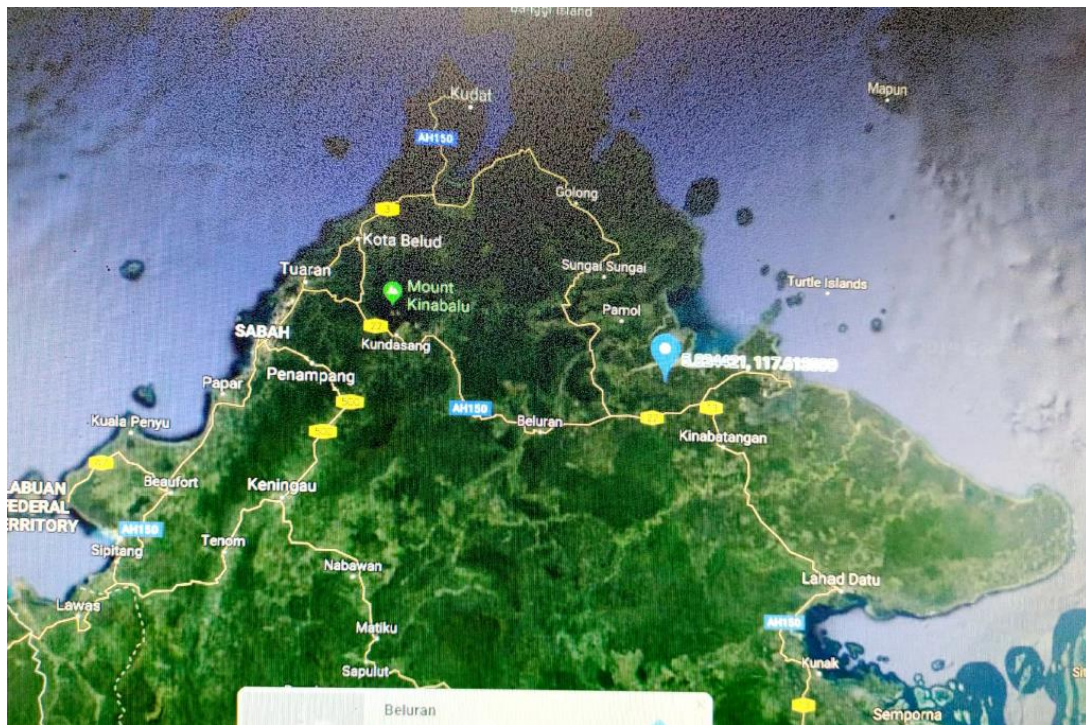
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3.3. Replanting program for each estate

Year of replanting	Planted area (Ha) in each estate				Total area to be replanted (Ha)
	Makmur Mega	Ladang Wangsanis	Ladang Berjasa	Idea Hectare	
2021	0.00	0.00	97.02	0.00	97.02
2022	96.46	0.00	0.00	0.00	96.46
2023	127.83	0.00	0.00	51.36	179.19
2024	207.56	0.00	0.00	0.00	207.56
TOTAL	431.85	-	97.02	51.36	580.23

3.4. Maps of Company Location and Plantations



Ladang Wangsanis, Ladang Berjasa, Idea Hectare location.

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Makmur Mega estate location

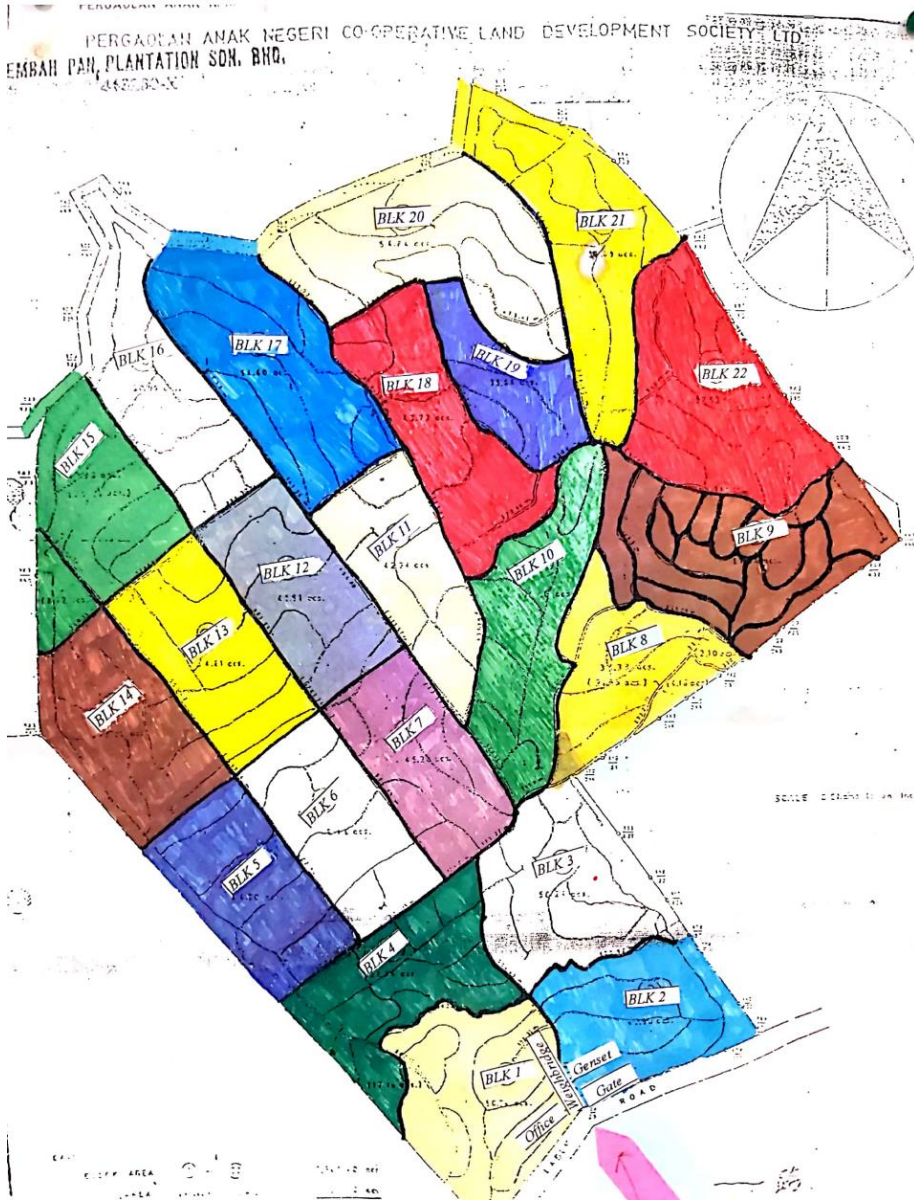
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Makmur Mega estate map

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Ladang Wangsanis, Ladang Berjasa, Idea Hectare Map

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4. Certification Assessment

4.1. Certification Audit

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. Stage 1 Audit:

The objective of the stage 1 audit is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which

- do not have any certification or
- those having management system certification e.g. ISO, COP.

These organization shall undergo both Stage I and II audits.

OTT Sabah estates do not has any certification, therefore, has to undergo Stage I audit.

The audit team has apply the Malaysian Sustainable Palm Oil Part 3: General principles for oil palm plantations and organised smallholders audit guidance to assess the established documents against the Principles and Criteria of the standard

The Stage I audit is conducted on 28/05/2019 at Sandakan covering the following activities:

- Onsite interviews and inspections;
- Review of documentation for compliance to relevant P & C requirements for plantation and mill;
- Reporting of findings found during Stage I audit;

4.1.2. Stage II:

The Stage II audit is conducted on 21/10/2019 to 23/10/2019 covering 2 selected estates – Makmur Mega and Ladang Wangsani.

During the Stage II audit, there are 3 Major, 2 Minor, 13 Opportunities for Improvement (OFI) are raised. The Major non-conformances raise during the audit are closed out by means of documents review that are establish, revised and preventive actions taken. Action plan is submitted for Minor non-conformance with implementation review during the next audit.

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 4.5 of this report.

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 12/09/2019 as to accommodate stakeholder's consultation meeting for OTT Sabah estates to provide comments. As at audit date on 21/10/2019 there are no comments received.

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Invitation letters are sent on 12/09/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 21/10/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

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

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

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:
 The stakeholders could confirm they have attended meetings with the company on MSPO certification.
2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint
 The stakeholders' advice they are informed a logbook and form is available at the office to lodge any complaints or suggestions.
3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.
 The local communities could confirm the company has provide assistance and support to communities.
4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information
 The contractors who provides maintenance and service could confirm they are briefing on MSPO requirements.

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

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

Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Company as regards to the MSPO audit?	Stakeholders confirmed they are aware of the MSPO audit through invitation letters and public announcement made by the company.	Positive comment

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
2	Social issues	No communities and neighbouring estates attended. Therefore, no input.	No further action required.
3	Type of land title – Country Leased, Provisional Leased, Native title	Participants are not local communities, therefore, no input to confirm.	No further action required.
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Participants commented with MSPO certification will improve livelihood of workers.	Positive comment
5	Does MSPO largely benefits the local community?	Stakeholders are not local communities, therefore, no comments on this topic.	No further action required.
6	Environmental understanding	Stakeholders are not local communities, therefore, no comments on this topic	No further action required.
7	Awareness towards species, habitats, and high conservation values	Stakeholders are not local communities, therefore, no comments on this topic	No further action required.
8	Are there any plantation management practices that affect you?	Stakeholders are not local communities, therefore no comments on this topic.	No further action required.
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders commented there should be no conflict by the management topic.	Positive comment
10	Do you have any suggestions for management?	OTT Sabah estates could share MSPO knowledge implementation.	Positive comment

4.3. Summary of Assessment

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

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>OTT Sabah estates established MSPO Policy dated 02/01/2019 signed by Director.</p> <p>The policy includes commitment to continual improvement in sustainability practise.</p> <p>Policy is displayed at office notice boards of OTT Sabah estates.</p> <p>Training for policy conducted on 15/05/2019 at Makmur Mega estate and 08/06/2019 at Ladang Wangsani.</p> <p>OTT Sabah conducted stakeholders meeting includes all estates on 11/07/2019 and brief on MSPO policy.</p> <p>Interview during site visit, the workers understand the MSPO policy.</p>	Yes
4.1.1.2	<p>The MSPO policy dated 02/01/2019 states, commitment to adhere to MSPO certification principles and criteria that will ensure sustainability continuous improvement.</p>	Yes
4.1.2.1	<p>OTT Sabah estates established SOP internal audit doc no: SSOP-29 dated 01/01/2018 with a flow chart describing the internal audit process.</p> <p>Stated in the SOP the frequency for internal audit is once a year.</p> <p>Internal audit conducted on 26/08/2019 to 27/08/2019 at Makmur Mega estate and 28/08/2019 to 29/08/2019 at Ladang Wangsanis.</p> <p>There are 7 non-conformities and 7 observations raised in the internal audit.</p> <p>Summary of internal audit include strong and weak points.</p>	Yes
4.1.2.2	<p>OTT Sabah estates established SOP internal audit dated 26/08/2019 – 29/08/2019.</p> <p>The findings of internal audit are closed within time frame of 30 days</p>	Yes
4.1.2.3	<p>Initial internal audit and external stage 1 audit results made available in the management review meeting conducted on 03/06/2019</p>	Yes
4.1.3.1	<p>Management review conducted on 03/06/2019 to review the internal audit and external stage 1 results for further improvement Frequency of management review meeting is once a year after internal audit.</p>	Yes
4.1.4.1	<p>Continual Improvement Plan (CIP) established dated 01/10/2019.</p> <p>Topic discuss in the CIP include environmental, social and safety.</p> <p>Example:</p> <p>Improvement plan: Protection and preservation of buffer zones in replanting area.</p> <p>Expected Outcome: All watercourses through the areas have buffer zones and to be maintain or preserves the current or future replanting area</p> <p>Timeframe: On going</p> <p>Review and monitor: Evidence of established buffer zones</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	Location: All estates Responsibility: Field staff.	
4.1.4.2	OTT Sabah estates established SOP new information, technique, equipment dated 12/03/2019. The SOP describe process for implementation of new technology: <ul style="list-style-type: none"> • Identification • Implementation and control. No new techniques or new technology used currently at OTT Sabah estates	Yes
4.1.4.3	OTT Sabah estates established SOP new information, technique, equipment dated 12/03/2019. The SOP describe process for implementation of new technology. The flowchart in the SOP include training must conduct for implementation of any new technology.	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	OTT Sabah estates established Transparency Policy dated 01/01/2019. The policy states publicly available document share on timely manner (15 working days) with stakeholder. The available documents are in both Bahasa Malaysia and English languages. Documents are made available upon request other than those no confidential. Stakeholders meeting minutes dated 11/07/2019 indicate no information request by stakeholders. No request of information observed in the "Request and Response Record Book" as of audit date.	Yes
4.2.1.2	List of publicly available document is established dated 30/08/2019. Example of publicly available document: <ul style="list-style-type: none"> • Company policies • Land title • SOP 	Yes
4.2.2.1	OTT Sabah estates established the Consultation and Communication flow chart dated 30/08/2019. The flowchart has 2 sections. Communication to employees and stakeholders Enquiry / issue from employees and stakeholders.	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	The complaint / grievances is part of consultation and communication flowchart.	
4.2.2.2	The estate manager is the appointed person in charge of stakeholder communication and legal dated 02/05/2019.	Yes
4.2.2.3	OTT Sabah estates established list of stakeholders dated 17/06/2019. The list include government agencies, neighbouring estates, contractors, local communities, suppliers and collecting centre. Stakeholder meeting minutes dated 11/07/2019 is sighted. No record of request from stakeholder as of audit date.	Yes
4.2.3.1	OTT Sabah estates established procedure of Traceability dated 02/01/2019. The procedure describes the traceability records. Example for MMPSB: <ul style="list-style-type: none"> • FFB bunches record • Weighbridge ticket estate • Weighbridge ticket from collecting center / mill • Monthly FFB record 	Yes
4.2.3.2	OTT Sabah estates monitor the traceability system records on monthly basis. FFB summary record for September 2019 is reviewed.	Yes
4.2.3.3	OTT Sabah estates appoints the office clerk as person in charge to maintain the traceability system records in estate.	Yes
4.2.3.4	OTT Sabah estates maintain records of sales and delivery of FFBs. Example: FFB bunches record and estate weighbridge ticket dated 15/10/2019 is crosscheck with weighbridge tickets received from mill dated 15/10/2019. The unique identification number is estate weighbridge ticket stated in mill weighbridge ticket.	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	OTT Sabah estates established list of permit and licences requirement dated 30/08/2019. Example: MPOB license valid until 31/12/2019 for Ladang Wangsanis. Trading license valid until 31/12/2019 for Makmur Mega.	Yes
4.3.1.2	OTT Sabah estates established list of legal dated 08/07/2019 includes related law, and regulations.	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	Example: Sabah Labour Ordinance 1950 Environmental Quality Act 1974	
4.3.1.3	OTT Sabah estates established procedure “Pematuhan Undang – Undang” dated 01/07/2019. The procedure describes the flow on updating of law when is necessary. The list of legal requirements established on 08/07/2019.	Yes
4.3.1.4	Estate manager is appointed as person in charge to monitor and implement the related law for all estates dated 02/05/2019.	Yes
4.3.2.1	OTT Sabah estates land titles are Provisional lease (PL) land title issued by Sabah Land Authority. The land title states the land usage is for agricultural crop of economic value.	Yes
4.3.2.2	Land titles issued by Sabah Land Authority are maintained on file. Land titles are provisional lease I with 99 years tenure.	Yes
4.3.2.3	Each land title has a map, area size and boundary markers. Boundary markers are verify during field inspection with coordinates captured and crosschecked with the map for correctness. The boundary markers are maintain using a wooden stick painted red and white.	Yes
4.3.2.4	No disputes sighted during document review. All titles transferred are duly approved by the State Land Authority.	Yes
4.3.3.1	OTT Sabah estates land titles for Ladang Wangsanis estate are native titles and subleased duly approved by Sabah Land Authority. Therefore, no threaten on usage rights.	Yes
4.3.3.2	The native land title has a map and acreage.	Yes
4.3.3.3	Sublease agreement between Ladang Wangsanis estate with owner of native land dated 10/03/2010 duly singed by both parties. No related disputes recorded as at audit date.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	OTT Sabah estates established SIA dated 02/07/2019. The SIA includes information from survey and meeting feedback from internal and external stakeholders. The SIA includes a summary of positive and negative impacts and the timeline to monitor for completion.	No

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Principle 4: Social Responsibility, health, safety and employment conditions				
Indicator	Summary of Assessment	Compliance		
	<p>The action and implementation for SIA is responsibility of the Estate Manager.</p> <p>The positive impacts are continuously promoted while negative impacts are mitigation with a time frame to carry out the action and included in CIP for monitoring.</p> <p>The SIA will be reviewed once a year with feedback from stakeholders.</p> <p>Minor:</p> <p>SIA assessment prepared on 02/07/2019 did not include the feedback from external stakeholders and negative impact did not have the clear time frame to mitigate the impact and implementation is not recorded.</p>			
4.4.2.1	<p>OTT Sabah estates established Complaint and Grievance procedure dated 30/08/2019.</p> <p>The procedure is displayed in estates notice board.</p> <p>The procedure states that any complaint received by estate manager should be resolve within 30 working days.</p> <p>Site interview with field workers they understand the process to lodge complaint or grievance when required.</p>	Yes		
4.4.2.2	<p>OTT Sabah estates established complaint and grievance form.</p> <p>Complaint record is review with no complaint lodged in the audited estates as of audit date.</p> <p>Workers interview confirmed no complaint lodged as of audit date.</p>	Yes		
4.4.2.3	<p>The complaint and grievance form is available at the estates notice board that can be access by workers and stakeholders.</p>	Yes		
4.4.2.4	<p>OTT Sabah estates conducted briefing to workers example training conducted on 12/09/2019 for Ladang Wangsanis that include complaint and grievance procedure.</p> <p>During interview with workers they are aware on the procedure and complaint could be lodged at any time.</p>	Yes		
4.4.2.5	<p>Review of complaint records there are no complaints lodged as at audit date.</p>	Yes		
4.4.3.1	<p>OTT Sabah estates provides job opportunity to local communities for estate operation and office admin work.</p>	Yes		
4.4.4.1	<p>Safety and Health policy dated 01/03/2018 signed by Director.</p> <p>The policy states the objective to ensure all the rules and regulation in Akta JKPP 1994 is comply, estate will take care of worker safety and health and to minimize any accident happened in work place.</p> <p>The policy is available at the estates notice boards.</p>	Yes		
4.4.4.2	<table border="1"> <tr> <td>a</td> <td> <p>Safety and Health policy dated 01/03/2018 signed by Director.</p> <p>The policy states the objective to ensure all the rules and regulation in Akta JKPP 1994 is comply, estate will take care of worker to safety and health and to minimize any accident happened in work place.</p> </td> </tr> </table>	a	<p>Safety and Health policy dated 01/03/2018 signed by Director.</p> <p>The policy states the objective to ensure all the rules and regulation in Akta JKPP 1994 is comply, estate will take care of worker to safety and health and to minimize any accident happened in work place.</p>	No
a	<p>Safety and Health policy dated 01/03/2018 signed by Director.</p> <p>The policy states the objective to ensure all the rules and regulation in Akta JKPP 1994 is comply, estate will take care of worker to safety and health and to minimize any accident happened in work place.</p>			

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
b	<p>Risk assessment HIRARC established Includes all relevant field activities The HIRARC table include activity, potential hazards, effects, risk assessment, existing control, PIC, date review and status.</p> <p>HIRARC is established In different date for different operations, example:</p> <p>HIRARC spraying established on 08/04/2019.</p> <p>HIRARC manuring established on 11/04/2019.</p> <p>HIRARC harvesting established on 11/04/2019.</p> <p>Example HIRARC harvesting:</p> <p>Activity: Harvesting FFB</p> <p>Potential hazard: Dust fall into the eyes</p> <p>Risk: 6</p> <p>Additional control: Training, safety google.</p> <p>PIC: Estate manager.</p> <p>Major:</p> <p>HIRARC harvesting dated 11/04/2019 did not include the harvesting activity at electrical grid area.</p>	
c i	<p>Training on safety and health practices include PPE.</p> <p>Example:</p> <p>Safety work practice for spraying dated 30/11/2018 for MMPSB.</p> <p>PPE and safe work practice for manuring dated 15/05/2019 for LWSB.</p>	
c ii	<p>SDS is available at the store.</p> <p>Example: SDS for chemical glyphosate dated 18/10/2015.</p> <p>SDS in English and Bahasa Malaysia</p> <p>Store is in good condition and locked. Liquid chemical are placed on tray below powder chemicals.</p> <p>All chemicals have original labels.</p>	
d	<p>Records of PPEs issuance are maintained and sighted.</p> <p>Example:</p> <ul style="list-style-type: none"> • Helmet • Apron • Glove <p>During site visit all workers are provided with proper PPEs for the assigned task according to HIRARC and CHRA.</p>	

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>CHRA is conducted by certified assessor report reference No: HQ/16/ASS/00/30 – 2019/031 dated 20/05/2019.</p> <p>Medical surveillance for sprayer conducted on 22/08/2019 and follow CHRA recommendation.</p> <p>Major: HIRARC Harvesting dated 11/04/2019 states the PPE gum boot and hand glove shall be used in the harvesting practices. However, PPEs provided to workers do not include gum boots and hand glove.</p>	
e	<p>OTT Sabah established SOP 'safety work procedure on handling of store dated 02/01/2019. The procedure include chemical handling.</p> <p>OTT Sabah estates adopts the SDS for handling of chemicals and storage.</p>	
f	<p>OTT Sabah estates appointed safety and health person in charge as follows:</p> <p>MMPSB – Appointment letter to field staff dated 02/05/2019.</p> <p>LWSB – Appointment letter to Mandore dated 16/07/2018.</p> <p>Major: Appointed safety and health person in charge did not have documented record to indicate the competency and knowledge</p>	
g	<p>Latest safety meeting minutes dated 04/05/2019 for MMPSB and 17/09/2019 for LWSB.</p> <p>The meeting agenda includes work safety, PPE, harvesting, premix of chemical and accidents / injuries.</p> <p>There are no accidents and injuries.</p> <p>Meeting minutes and attendance records sighted.</p>	
h	<p>OTT Sabah established emergency respond plan brief to workers on 14/08/2019.</p> <p>Emergency contact numbers and fire plan available at notice boards for both estates (MMPSB and LWSB).</p>	
i	<p>The first aid / first aider is stated in CIP dated 27/09/2019.</p> <p>CIP: First aid training (external) for PIC safety and health.</p> <p>Time frame: January 2020.</p> <p>All operations have a first aid kit.</p>	
j	<p>OTT Sabah estates established record book for accidents and injuries. No report of any injuries as no medical leave record found as of audit date.</p> <p>JKKP is not register yet for OTT Sabah estates.</p> <p>Major:</p>	

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	JKKP is not register, and record of accident or injuries shall be kept and maintained .	
4.4.5.1	<p>OTT Sabah estates established Human Rights policy dated 02/01/2019 signed by Director.</p> <p>The policy states company has a responsibility to respect, support and uphold fundamental human rights as expressed in the universal declaration for human rights and its tow covenants.</p> <p>The policy displayed at estates noticeboards and available in English and Bahasa Malaysia language.</p>	Yes
4.4.5.2	<p>OTT Sabah estates established Equal Opportunity employment & freedom of association policy dated 02/01/2019 signed by Director.</p> <p>Policy states all job applicants, staff and workers will receive equal treatment regardless of race, colour, ethnic or national origins, religion or belief, gender, marital status, part time or full time employment or age.</p> <p>The policy is displayed at noticeboards.</p>	Yes
4.4.5.3	<p>OTT Sabah estates established contract agreement for workers in accordance to Sabah Labour Ordinance.</p> <p>The contract agreement states the pay rate of RM42.31 per day in accordance to the minimum wages 2018. The working contracts are signed by workers and management.</p> <p>The check roll and pay slip is review that the worker pay is in accordance with Minimum Wage Order 2018.</p>	Yes
4.4.5.4	<p>OTT Sabah estates engage contractor for FFB transport only.</p> <p>Estate manager monitor contractor worker pay slip to ensure contractor worker are paid according to legal requirements.</p> <p>Example driver pay for September 2019 is accordance with Minimum Wages Order 2018.</p>	Yes
4.4.5.5	<p>OTT Sabah estates established list of workers that contain name, gender, date of birth, date joined, and job description.</p> <p>Document review and site interview confirmed all workers are permanent employed.</p>	Yes
4.4.5.6	<p>OTT Sabah estates established worker contract for every worker recruited.</p> <p>The management provide fair contract duly signed by both parties.</p> <p>Major:</p> <p>Daily rate and piece rate stated in the contract agreement. However, estate practice on hourly rate and piece rate payment.</p> <p>A copy of employment contract is not provided to worker after signing.</p>	No
4.4.5.7	<p>OTT Sabah estates established 'Masa Kerja Di Ladang' and displayed at notice boards.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The working hours starts from 5:30am to 2:00pm with rest time from 10:30am to 11:00am.</p> <p>Workers work time is recorded using the morning muster check roll.</p> <p>Working hours and overtime are stated in work contract.</p> <p>Overtime rate is according to Sabah labour ordinance requirements of 1.5 times daily rate for normal work days and 2.0 time daily rate for rest day and public holidays.</p> <p>Interview with workers, they are aware on the working hours.</p>	
4.4.5.8	<p>OTT Sabah estates established 'Masa Kerja Di Ladang' and displayed at notice boards.</p> <p>The working hours starts from 5:30am to 2:00pm with rest time from 10:30am to 11:00am.</p> <p>Reviewed on pay, contract and check roll of workers for working hours and any overtime complied Sabah Labour Ordinance.</p> <p>During field visit workers feedback they understand the working hours.</p>	Yes
4.4.5.9	<p>Pay records are reviewed to crosscheck the wage paid is in line with legal regulations and work contracts.</p> <p>The wages records for April and May 2019 are according to the Minimum Wage Order 2018.</p> <p>Interview with workers at estates they are understand the wages.</p>	Yes
4.4.5.10	<p>OTT Sabah estates provide benefits to workers such as medical care, housing, water, electricity, national festive holidays.</p>	Yes
4.4.5.11	<p>OTT Sabah estates housing follow the industry best practices.</p> <p>Site observation on the worker's living quarters has basic amenities such as water, electricity and kitchen.</p>	Yes
4.4.5.12	<p>OTT Sabah estates established Prevention and Eradication of Sexual Harassment in the Workplace Policy dated 02/01/2019 signed by Director.</p> <p>The policy states company is committed to provide work environment which is conducive, safe and free from sexual harassment.</p> <p>The policy is displayed at estates notice boards.</p> <p>No complaint lodged for related issue.</p>	Yes
4.4.5.13	<p>OTT Sabah estates has established the Equal Opportunity Employment & Freedom of Association Policy dated 02/01/2019 signed by Director.</p> <p>The policy states 'The freedom of association shall be instituted according to the labour laws and Immigration Act of Malaysia'.</p> <p>Policy displayed in the office notice boards.</p>	Yes
4.4.5.14	<p>OTT Sabah estates established the Human Rights Policy dated 01/01/2019 signed by Director.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Point 3 describes no children below 16 years old working on our premises. We will seek to ensure that schooling opportunities are available to children in the areas where we operate.</p> <p>Worker personal file and workers master list do not have child labour employed by the estates.</p> <p>Onsite observation, no child labour or young person employed by OTT Sabah estates. All workers are above 18 years prior joining the estates.</p>	
4.4.6.1	<p>OTT Sabah estates established safety training program 2019.</p> <p>The program include all the safety work practice procedure training.</p> <p>Example of training records:</p> <p>MMPSTB – Firefighting dated 15/08/2019.</p> <p>LWSB – PPE and manuring briefing dated 15/05/2019.</p> <p>Major:</p> <p>Training program and review of records only safety and health training available. However, training for company policies, working hours, and others are not available in program and n record of related training is documented. Besides, there is no training conducted to contractor engage by estate.</p>	No
4.4.6.2	<p>OTT Sabah estates established training plan based on job task.</p> <p>Training matrix is establish for individual worker to identify training need.</p> <p>Example of training matrix, allocation for all related training for chemical safety handling for workers handling chemical.</p>	Yes
4.4.6.3	<p>Continuous training program plan for year 2019 and 2020 is establish for all workers based on job function.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>OTT Sabah estates established Environmental quality policy dated 02/01/2019 signed by Director.</p> <p>The policy is made available at office notice boards in both Bahasa Malaysia and English.</p> <p>OTT Sabah estates established environmental aspect and impacts assessment and environmental management plan dated 23/07/2019.</p> <p>Environment policy training conducted on 30/09/2019 at Makmur Mega estate and on 12/07/2019 Ladang Wangsani.</p>	Yes
4.5.1.2	<p>a OTT Sabah estates has established environmental quality policy dated 02/01/2019.</p> <p>The objective to identify, predict and evaluate the economic, environmental and social impact of development activities. To provide information on the environmental consequences for decision-making. To</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>promote environmental sound and sustainable developmental through the identification of appropriate alternatives and mitigation measure.</p> <p>b The environmental aspect and impacts assessment in the environmental management plan has established dated 23/07/2019 include negative impact and promote the positive. Example.</p> <p>Activities: PPP Storing and premixing</p> <p>Environmental Aspect: PPP spillage, harm to human health, fire hazard.</p> <p>Environmental impact: Pollution to watercourses and land, cause serious injury and fatality, air and water pollution.</p> <p>Mitigation: Regular monitoring, do not keep extra stock, follow SOPs on PPP Storing, handling and use proper PPE during PPP handlings, no smoking zone surrounding store and premixing area.</p>	Yes
4.5.1.3	<p>EMP includes environmental impact assessment and action plan that mitigate the negative impacts and promote the positive.</p> <p>Example:</p> <p>Identification of waste products / pollutants: Rotten bunches.</p> <p>Negative impacts: Rotten bunches can result in a breeding ground for the rhinoceros beetle, therefore, more chemical is needed to control it.</p> <p>Action plans, monitoring and CIP: Staff in charge and FFB checker should monitor on FFB evacuation.</p> <p>Document to review: FFB evacuation and transport records.</p> <p>Positive impacts: Rotten bunches can enhance soil nutrients through decomposition.</p> <p>CIP: Provide training and briefing regarding the negative impact of rotten bunches improvement plan and monitoring program.</p>	Yes
4.5.1.4	<p>Positive impacts: Rotten bunches can enhance soil nutrients through decomposition.</p> <p>CIP: Provide training and briefing regarding the negative impact of rotten bunches improvement plan and monitoring program</p>	Yes
4.5.1.5	<p>OTT Sabah estates conduct training to ensure that workers understand the policy and objective of environmental management plan.</p> <p>Environmental policy and environmental training on 30/09/2019 at Makmur Mega and on 12/07/2019 at Ladang Wangsani.</p>	Yes
4.5.1.6	<p>OTT Sabah estates conducted environmental meeting on 18/09/2019 at Makmur Mega estate and on 17/09/2019 Ladang Wangsani.</p> <p>The meeting to discuss environmental matters with workers.</p>	Yes
4.5.2.1	<p>OTT Sabah estates established baseline for diesel consumption records dated 02/10/2019.</p> <p>The records for January to June 2019 diesel consumption as base line for July to December 2019.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	The baseline is a guideline to monitor and compare against the actual usage. Sighted usage records for January to June 2019.	
4.5.2.2	OTT Sabah estates established records of diesel consumption on monthly basis for comparison against estimates. Diesel budget from 2019 to consider for monitoring purpose against the actual usage. Records of September 2019 the diesel consumption high at Makmur Mega due low FFB productivity.	Yes
4.5.2.3	OTT Sabah estates practice renewable energy for the Makmur Mega estate using solar panel for office.	Yes
4.5.3.1	OTT Sabah estates established EAIA and environmental management plan dated 23/07/2019. The sources and type of wastes listed in the plan. Example: Solid waste: Rotten Bunches Source: Fruit Liquid waste Source: pesticides chemical	Yes
4.5.3.2	a OTT Sabah estates established waste management plan dated 23/07/2019. Source of waste identified and monitoring. Gaseous waste Emission from fossil fuel usage: Minimize usage, regular maintenance Vehicle records sighted.	Yes
	b Wastes identification describe reused, recycle, reduce and disposal. Example: Rotten Bunches: Mulching. Empty chemical containers are reused for pre-mix chemicals	
4.5.3.3	OTT Sabah estates established SOP Spraying doc no: SSOP-02 dated January 2018. The SOP describe the spraying application before, during and after work. SDS is adopted for handling of used chemicals and any balance chemical will be stored for next application. Stock balance records sighted.	Yes
4.5.3.4	SOP for triple rinsing of empty chemical container dated 02/01/2019. Empty container after rinsing reuse for transporting chemical and water for spraying work.	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.3.5	Domestic wastes are disposed at designated landfill away from housing and waterways.	Yes
4.5.4.1	<p>Pollution aspects & impacts include in the EAIA.</p> <p>The identified of pollution example:</p> <p>Identification of waste products / pollutants: Rotten Bunches.</p> <p>Negative impacts: Rotten bunches can result in a breeding ground for the rhinoceros beetle, therefore, more chemical is needed to control it.</p> <p>Action plans, monitoring and CIP: staff in charge and FFB checker should monitor on FFB evacuation and make sure no bunches rotten unevaluated</p> <p>Document to review: FFB evacuation and transport records.</p> <p>Positive impacts: Rotten bunches can enhance soil nutrients through decomposition.</p> <p>CIP: Provide training and briefing regarding the negative impact of rotten bunches improvement plan and monitoring program.</p>	Yes
4.5.4.2	<p>The action plan to reduce identified significant pollutants is established in the environmental impacts assessment action plan dated on 23/07/2019</p> <p>Example:</p> <p>Harvesting activities</p> <p>Environmental aspects and impacts: Transportation and machineries used. Emission of Greenhouse Gases (GHGs) from lorries, Farm Tractors and other machineries.</p> <p>Action plan: Reduce diesel usage by proper management of vehicles movements.</p> <p>Records of diesel budget and actual has review as monitoring by OTT Sabah estates.</p>	Yes
4.5.5.1	<p>a OTT Sabah estates established water management plan dated 02/07/2019.</p> <p>The water source from Jabatan Air Sabah and rain</p> <p>The usage of water as follows:</p> <p>Rain: Domestic usage, chemical pre- mix</p> <p>Jabatan Air Sabah: Domestic used</p>	Yes
	<p>b OTT Sabah estates Ladang Wangsanis conducts water quality test to monitor in and outgoing water to ensure no contamination of waterways.</p> <p>Certificate of analysis ref no: 12J0179 is reviewed and results within the National Water Quality Standards For Malaysia (NWQSM) – Class IIB.</p>	
	<p>c OTT Sabah estates monitor water leakage from housing area to reduce wastage. 'Buku Rekod Pembikinan Paip Bocor' is reviewed.</p>	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Chemical containers washing and rinsing water is reuse for pre-mix usage.</p> <p>d Water management plan includes buffer zone monitoring. Buffer zones at river and surrounding water catchment area at Ladang Wangsanis are maintained. There is no stream or river in Makmur Mega, therefore no buffer zone established. Training for riparian area conducted at Makmur Mega date 30/09/2019 and Ladang Wangsanis date 12/07/2019.</p> <p>e Field observation there are no vegetation removed from riparian zones. Riparian zones are well maintained.</p> <p>f Site verification at workers quarters no bore wells implemented.</p>	
4.5.5.2	No bund constructed at Makmur Mega estate and Ladang Wangsanis across Sg Simpang Dua Belaban.	Yes
4.5.5.3	Water harvesting practice implemented at housing area and office.	Yes
4.5.6.1	<p>a OTT Sabah estates established biodiversity assessment report dated 27/09/2019. List of wild life stated in the report Mammalia (Long Monkey) Bird (Bangau) Reptilian (Snake, Lizards) Monitoring checklist of biodiversity established dated 29/03/2019 for monthly monitoring Includes zero burning, hunting activity, signs of animals.</p> <p>b OTT Sabah estates established biodiversity assessment report dated 27/09/2019. OTT Sabah estates monitor wildlife in and surrounding of the estates. The signage of wildlife and no hunting installed in the field. Example of the wildlife found: Wild boar. There are no wildlife sighted within the estate during field visit.</p>	Yes
4.5.6.2	<p>a OTT Sabah estates has established biodiversity assessment report dated 27/09/2019. Management and monitoring plan for conservation of wildlife No hunting and penalty signage available at estate office notice board.</p> <p>b OTT Sabah estates established sustainability policy dated 01/02/2019 include the statement "Ensure protection on rare, threatened and endangered (RTE) species living in the HCV areas, if any</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.6.3	OTT Sabah estate established biodiversity assessment report dated 27/09/2019. Appropriate signage on prohibiting illegal hunting are displayed and workers are advised not to hunt animals and report sighting of any wildlife in the estate.	Yes
4.5.7.1	OTT Sabah estates established Environmental quality policy dated 02/01/2019 sign by Director with a statement of practice zero burning. No replanting for both estates during field observation. No burning signage at store area and landfill.	Yes
4.5.7.2	There are no serious palm diseases sighted during the field visits that require burning. Therefore, no special approval for open burning from the relevant authorities	Yes
4.5.7.3	No open burning sighted during field visit. No approval required.	Yes
4.5.7.4	OTT Sabah estates established procedure for Penanam Semula doc no: SSOP-27 revision 0, dated January 2018. The procedure describes: Palms are felled, chipped and / or shredded and trees and sapling are staked in windrow and left to decomposed. No replanting activities during audit time.	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	OTT Sabah estates established Prosedur Operasi Kerja Selamat dan Standard operasi bagi sector perladangan (SSOP), dated 02/01/2019. Example of SSOP: <ul style="list-style-type: none"> • Penuaian dan pemangkasan pokok sawit, doc no: SSOP-01 dated January 2018. • Penyemburan racun rumpai, doc no: SSOP-02 dated January 2018 • Menabur Baja, doc no: SSOP-03 dated January 2018. Site interview with workers understand the SOP example harvesting, manuring and spraying.	Yes
4.6.1.2	OTT Sabah estates established SSOP Penanaman semula (Re-Planting), doc no: SSOP-27 dated 01/01/2018. Guidelines for planting at slopes. Terraces of platform are constructed in steeper areas in order to: <ul style="list-style-type: none"> • Facilitate effective establishment, maintenance and harvesting of palms. • Minimize soil erosion. 	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Reduce rainwater runoff and nutrient losses. <p>SOP states: To prevent erosion, cover plant should be established on slopes as soon as possible after land clearing. Soil on steep terrain (Land above 25° or 50% steep) Manage problematic soil, soil on steep terrain, ensure that terraces are well constructed, ensure that cover crops are established during site observation all terraces area in good conditions with no erosion occur.</p>	
4.6.1.3	OTT Sabah estates established permanent block markers for each block that include block number, total palm, area and year palm planting.	Yes
4.6.2.1	OTT Sabah estates has established 5 years business plan from 2019 to 2023. The business plan cover crop projection for 5 years, cost of production and Cash flow projection.	Yes
4.6.2.2	OTT Sabah estates establish long term replanting program. The replanting program starts on 2020 to 2024.	Yes
4.6.2.3	OTT Sabah estates has established 5 years business plan from 2019 to 2023. The business plan includes; 1. Planting material. 2. Crop projection for 5 years 3. Cost of FFB production/mt. 4. Price forecast 5. Replanting program	Yes
4.6.2.4	OTT Sabah estates established monthly progress report to monitor FFB production- Actual, Budget and Variance <ul style="list-style-type: none"> FFB production 	Yes
4.6.3.1	OTT Sabah estates purchase fire extinguisher quotation from supplier. Quotation dated 05/10/2017 sighted and accepted by both parties. The quotation describes the product pricing and payment terms.	Yes
4.6.3.2	Quotation of purchasing fire extinguisher is review. Payment made on timely manner according to the quotation terms and conditions.	Yes
4.6.4.1	OTT Sabah estates engage contractor for FFB evacuation. Contract agreement point no. 12 states the contractor must follow the rules contained in MSPO compliance	Yes
4.6.4.2	OTT Sabah estates engage contractor for FFB evacuation. Contract agreement duly agreed and signed by both parties.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.4.3	OTT Sabah estates established contract agreement with FFB transporter dated 02/01/2019 for FFB delivery... Minor: Contract agreement dated 02/01/2019 is review. There is no statement that the contractor is subject to be audited by approved auditor.	No
4.6.4.4	OTT Sabah estates monitor contract work progress based on FFB daily delivery. Sighted records from 01/08/2019 to 31/08/2019 for FFB deliveries.	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	Planting statements and estates maps are reviewed. OTT Sabah estates are bordering with estates and no forest reserve area. The first planting in 1995 at Makmur Mega estate and 1998 for Ladang Wangsanis. No replanting yet.	Yes
4.7.1.2	Planting statements, estates maps and land titles are reviewed. The replanting area program will start in 2021.	Yes
4.7.2.1	Planting statements, estates map and land title are reviewed. There is no peat land sighted during field inspection.	Yes
4.7.3.1	The planting statements are review and there are no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.2	The planting statements are review and there are no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.3	The planting statements are review and there are no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.4	There are no smallholders scheme involved in OTT Sabah estates certification. Therefore, not applicable	Yes
4.7.4.1	The planting statements are reviewed and there are no new planting. Therefore, no map established.	Yes
4.7.4.2	The planting statements are reviewed and there are no new planting. Therefore, no map established.	Yes
4.7.5.1	The planting statements and estates maps are review. There are no new plantings. Therefore, no map established and permits available.	Yes
4.7.5.2	The planting statements are reviewed and there are no new planting. Therefore, no plan established.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.5.3	The planting statements are reviewed and there are no new planting. Therefore, no soil map established.	Yes
4.7.6.1	The planting statements are review and there are no new planting. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	The planting statements are review and there are no new planting. There are no sacred any sites, therefore, no management plan establish.	Yes
4.7.6.3	The planting statements are review and there are no new planting..	Yes
4.7.6.4	The planting statements are review and there are no new planting. Therefore, no compensation and agreement established.	Yes
4.7.6.5	The planting statements are review and there are no new planting. Therefore, no assessment established.	Yes
4.7.6.6	The planting statements are review and there are no new planting. 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. Therefore, no compensation plan established.	Yes
4.7.6.8	The planting statements are review and there are no new planting. Therefore, no communities affected.	Yes

4.4. Status of Non-Conformities Previously Identified

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

4.5. Detail of Audit Findings in last audit

Stage 1 audit corrections to the documents and actions are reviewed during stage 2 certification audit

4.6. Detail of Audit Findings Identified During This Audit

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

AUDIT OUTCOME

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During this audit,	3	MAJOR Non-Conformities
	2	MINOR Non-Conformities

Non Conformity Number 1	
Indicator and Description	<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC)</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals</p>
Location:	Estate office
Description of Finding / Objective Evidence:	
<p>Document review and interview found:</p> <p>b) HIRARC harvesting dated 11/04/2019 did not include the harvesting activity at Electrical grid area.</p> <p>d) HIRARC Harvesting dated 11/04/2019 states the PPE gum boot and hand glove shall be used in the harvesting practices. However, PPEs provided to workers do not include gum boots and hand glove.</p> <p>f) Appointed safety and health person in charge did not have documented record to indicate the competency and knowledge.</p> <p>j) JKPP is not register and records of accident or injuries shall be kept and maintained.</p>	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui
Date Raise:	23/10/2019
Deadline for implementation	22/12/2019
Root Cause Analysis (by company):	
<ol style="list-style-type: none"> Lack of understanding of requirement. Lack of monitoring of the compliance. Awareness program was not effectively implement by management. 	
Correction (by company):	
<ol style="list-style-type: none"> To be produce HIRARC for harvesting at area cable line & harvesting activities. Safety & Health Person In-Charge was appointed. JKPP registration SB/19/04/147865.(Ladang wangsanis), Makmur mega/SB/07/04/1263. 	
Corrective / Preventive Action (by company)	
<ol style="list-style-type: none"> To be produce HIRARC for harvesting at area cable line & Harvesting activities. The management will appoint the Safety & Health with the appointment letter. 	

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Non Conformity Number 1	
Review of Correction & Corrective / Preventive Action	
Review on the evidence as follows:	
<ol style="list-style-type: none"> HIRACR dated 24/10/2019 has include the working at area near electrical grid. PPE distribution record rev 01/2019 dated 31/10/2019 indicates gum boots is distribute to workers. The safety and health person appointed is trained and verified by Clinic Mabello Gum Gum Sdn Bhd dated 31/10/2019. JKKP register for Ladang Wangsanis SB/19/04/147865 and Makmur mega estate SB/07/04/1263. 	
The implementation will be verify in next surveillance audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor: Sheron Pui Ling Wui	Date of Closure: 13/12/2019
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 2	
Indicator and Description	4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.
Location:	Estate office
Description of Finding / Objective Evidence:	
Daily rate and piece rate stated in the contract agreement. However, estate practice on hourly rate and piece rate payment.	
A copy of employment contract is not provided to worker after signing.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui
Date Raise:	23/10/2019
Deadline for implementation	22/12/2019
Root Cause Analysis (by company):	
Wages paid in the form of "Hours" because workers usually only work a few hours not full day (8 hours).	
They return early to take care of their kids and do house chores according to their own desire.	
Correction (by company):	
The revised of "Employment Contract & Workers Registration Form" was done and submitted. Copy has been given to workers after sign.	
Corrective / Preventive Action (by company)	

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Non Conformity Number 2	
Number of hours of work is record and verified by the field mandore.	
Review of Correction & Corrective / Preventive Action	
Estate practice hourly rate paid the revised worker agreement is review the wages is RM 5.29/ hour. The photo and record of 'Senarai Nama Pekerja Yang Menerima Surat Peranjian' dated 06/11/2019 indicates workers received the working agreement. The implementation will be verify in next surveillance audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor: Sheron Pui Ling Wui	Date of Closure: 13/12/2019
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 3	
Indicator and Description	4.4.6.1 All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.
Location:	Estate office
Description of Finding / Objective Evidence:	
Training program and review of records only safety and health training available. However, training for company policies, working hours, and others are not available in program and no record of related training is documented. Beside, contractors engage by estate are not trained appropriately.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by: Sheron Pui Ling Wui	Date Raise: 23/10/2019
Deadline for implementation	22/12/2019
Root Cause Analysis (by company):	
Training was conducted but record is not documented.	
Correction (by company):	
Training and Briefing for contractor has been carry out and document	
Corrective / Preventive Action (by company)	
Training and Briefing will be done at least every six month or follow the Workers Training schedule.	
Review of Correction & Corrective / Preventive Action	

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Non Conformity Number 3	
Review the briefing record for contractors held on 05/11/2019 includes MSPO training, safety and health and waste management.	
The training program established include company policies, working hours and wages.	
The training for company policies, working hours and wages conducted during morning muster.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor: Sheron Pui Ling Wui	Date of Closure: 13/12/2019
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 4	
Indicator and Description	4.4.1.1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.
Location:	Estate office
Description of Finding / Objective Evidence:	
SIA assessment prepared on 02/07/2019 did not include the feedback from external stakeholders and negative impact did not have the clear time frame to mitigate the impact and implementation is not recorded.	
Classification	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui
Date Raise:	23/10/2019
Deadline for implementation	Next surveillance audit
Root Cause Analysis (by company):	
Q & A session is conducted during the Stakeholder meeting, but company did not include the feedback from the stakeholder in the SIA report.	
Company is did not aware on the time frame to mitigate the impact and implementation.	
Correction (by company):	
Will held another stakeholders meeting on June 2020, in the meantime collect the feedback from the Stakeholders during the meeting.	
Time frame to mitigate the impact and implementation need to state clearly.	
Corrective / Preventive Action (by company)	
The next amend SIA report will include the feedback from the Stakeholders during next year Stakeholders meeting.	
Impact and Implementation in the SIA report will be verified by the Senior Assistance Manager	
Review of Correction & Corrective / Preventive Action	

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Non Conformity Number 4	
The action plan dated 08/11/2019 describes the action will be taken as follows:	
<ol style="list-style-type: none"> 1. Feedback from stakeholders will include into SIA during next stakeholders meeting. 2. Time frame on SIA will state clearly. 	
The implementation of action plan will be verify in next surveillance audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor: Sheron Pui Ling Wui	Date of Closure: 13/12/2019
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 5	
Indicator and Description	4.6.4.3 The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.
Location:	Estate Office
Description of Finding / Objective Evidence:	
Contract agreement dated 02/01/2019 is review. There is no statement that the contractor is subject to be audited by approved auditors.	
Classification	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor
Raise by: Zul Hairi Bin Abu Hassan	Date Raise: 23/10/2019
Deadline for implementation	Next surveillance Audit
Root Cause Analysis (by company):	
Briefing was conducted to the contractor but record is not documented.	
Correction (by company):	
Explain to the contractor again on the acceptance of MSPO approved auditors to verify assessments and physical inspection	
Corrective Action Plan (by company)	
Contract agreement is updated and record	
Review of Correction & Corrective / Preventive Action	
The revised contract agreement dated 31/10/2019 has includes MSPO statements and agreed by both parties.	
The agreement describe:	
Contractor agree to be assessed by MSPO approved auditors and will allow access to visit its premise.	
The implementation will be verify in next surveillance audit.	
Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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Non Conformity Number 5	
Name of Lead Auditor: Zul Hairi Bin Abu Hassan	Date of Closure: Next surveillance
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

No.	Indicator	Location	Opportunity for Improvement
1.	4.1.2.2	Estate office	Management may consider improve identification of strengths and weakness of internal audit.
2.	4.1.2.3	Estate office	Management may consider improve the time frame of management review.
3.	4.2.1.2	Estate office	Management could improve list of publicly available to include the confidential documents.
4.	4.2.2.3	Estate office	Stakeholder meeting minutes could improve the stakeholders meeting agenda.
5.	4.3.2.3	Estate office	Estate could improve the boundary marker records.
6.	4.4.4.2 (g)	Estate office	Management may improve the meeting records on feedback from all workers representatives.
7.	4.4.4.2 (i)	Estate office	Management may improve the first aid recording system.
8.	4.4.5.4	Estate office	Management could improve the monitoring of contractor workers wage payment.
9.	4.4.5.7	Estate office	Management could improve the recording system format.
10.	4.4.5.13	Estate office	Management could improve meeting frequency with workers on work conditions.
11.	4.5.4.1	Estate office	Management may consider improve waste identified.

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5. Conclusion

OTT Consultants Sdn Bhd (OTT Sabah Estates) has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification audit for its 4 estates according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

There are 3 Major NCs raise and closed out successfully. 2 minor non-conformances are raised with action plans are submitted and accepted. The implementation of Minor NC(s) will be review and verify during the next audit.

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

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

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

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

Total certified number of estates:	4
Total certified production area:	703.66 Ha
Certified FFBs January to September 2019:	2,663.83 Mt
Projection FFBs October to December 2019:	2,375 Mt
Projection FFBs January to December 2020:	9,742 Mt

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6. Recommendation

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

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

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

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

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

Puchong, 30/12/2019

Zul Hairi Bin Abu Hassan
TUV NORD (Malaysia) Sdn Bhd
Team Leader

Puchong, 30/12/2019

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

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7. List of Interviewees

Table 7-1: List of Interviewed Persons and Stakeholders

No.	Name	Organisation / Function
1.	Tam Wum Peuu	F & K Agri Enterprise
2.	Wong Ah Kau	Kinjaya (Contractor)

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

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