

MSPO INITIAL CERTIFICATION SUMMARY REPORT

Standard:	MS2530-3:2013 (Part 3) General Principles for Oil Palm Plantations and Organized Smallholders	
Type of Certification:	Individual Certification	
Organization:	SYARIKAT ILAM [Registration No 111/91]	
Main Office Address:	No 27, JALAN REPOK, 96100, SARIKEI, SARAWAK.	
Phone/Fax No:	Tel: 019 819 3255	Fax: 084 656 608
Plantation Site Address:	Oil Palm Mini Estate, Sg Paoh, 96100, Sarikei, Sarawak	
Project No:	BQAS/SI/010/012/19	October, 2019
Certification Body:	BQAS Certification (M) Sdn Bhd (11179994-x) Sublot 6, 2nd Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching, Sarawak. Accreditation No: [MSPO 06092019 CB 0015]	
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Documented by:	Wilfred S Landong	Lead Auditor
Certified by:	Patrick Sibat	Date: 10 10 2019
Certificate issued on:	Date: 15 10 2019	Validity: 15 10 2019 to 14 10 2024

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EXECUTIVE SUMMARY

This is an Initial Certification Audit & scope is Individual Certification of Syarikat Ilam [SI] under the Standards MSPO MS2530-3:2013 for Oil Palm Plantations & Organized Smallholders

Syarikat Ilam [SI] main office is located at 96100, Sarikei, Sarawak.

The Plantation site is located at Geo-coordinates N02°01.59.1' E111°26.37.3'; with address @ Oil Palm Mini Estate, Sg Paoh, 96100, Sarikei approximately 30 kilometers from Sarikei Town. Established in 2003, the Plantation consist a total certified area of 233.56 hectares of lowland with sandy loam type soil. Planted area is 220 hectares; and 13.56 hectares is conserved as Riparian zones.

Plantation lands: 153.84ha are owned by shareholders/Directors of Syarikat Ilam; 79.72ha are rented from local landowners with 25 years tenure.

Syarikat Ilam employed a total headcount of 18 fulltime employees [staff & general workers].

The assessment method used follows principles of **3P** (Paper, Practice & People).

This certification assessment is a sampling process where management systems effectiveness & efficiency are confirmed via an Audit Trail that the Auditor established to make an accurate conclusion. Information & data were systematically gathered & documented from interviews [with a cross section random sample of stakeholders], observations of process and activities, field audits & review of documentations and records.

Assessments were done at both the Main Office in Sarikei and the Plantation/Site Office during both Stage 1 & Stage 2 Audits.

4 Auditors were assigned to do the MSPO Certification Assessments; clocking a total of 13 Mandays to complete the Audits.

Stage 1 Audit was conducted on 24 to 25 April 2019 & Stage 2 on 27 to 29th June 2019 respectively. There were 16 Findings in Stage 1 Audit classified as AWF (acceptable with findings noted); in areas of management system readiness, policy/policies documentation, legal register, procedures documentation, HIRARC, management plan, soil and topographic information & non-renewable energy estimation. The corrective action report (CAR) raised for these findings were closed out on 15 06 2019.

In Stage 2 Audit 5 OFI (opportunity for improvements) were recorded; in areas of Management Commitment & Responsibility, Social Responsibility, Health, Safety and Employment Conditions, Environment, Natural Resources, Biodiversity and Ecosystem Services. The corrective action report (CAR) for these findings were closed out on 25 08 2019.

In both Audit Stages, dialogues and interviews were conducted with stakeholders [workers, local communities, landowner & other land users] to gauge understanding of MSPO principles, applications & its importance and relevance to sustainable growth and production of palm oil products. Also assessed were their opinion & working relationship with SI Management and this was found to be mutually beneficial. Local communities were also allowed access and use of roads within the plantation

Plantation workers & staffs are remunerated well above minimum wage; and living conditions in the Estate meet minimum requirements of health & safety regulations. Available amenities in both estates include treated water, domestic waste collection & disposal, electricity and telecommunication services.

The Audit team has conducted a rigorous assessment of Syarikat Ilam and it is evidenced that it has complied & conformed to MSPO2530-3:2013 Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore, recommended that upon conclusion and closure of [OFI] of Stage 2 Audit Syarikat Ilam be certified under MSPO Standards MS2530-3:2013.

1. INTRODUCTION

Syarikat Ilam Oil Palm Mini Estate [established in 2003] is a company based in Sarikei, Sarawak; and located approximately 30 kilometers from Sarikei Town.

This report presents the assessments, findings & recommendations on certification evaluation of Syarikat Ilam which is seeking certification under MSPO MS2530-3:2013.

This is an Initial Certification Audit to assess the entity's preparedness, compliance & conformance to MSPO Standards MS2530-3:2013 (Part 3: Requirements for Oil Palm Plantations & Organized Smallholders)

1.1. INFORMATION: CERTIFICATION ASSESSMENT

Type of Assessment:	Initial Certification Audit	
Scope of MSPO Certification:	Palm Oil Plantation	Certified Area: 233.56hectares
MSPO Standard:	MS2530-3:2013	

1.2. INFORMATION: CERTIFIED ENTITY

Company Name:	SYARIKAT ILAM	Registration No	111/91	
Address:	NO 27 JALAN REPOK, 96100, SARIKEI, SARAWAK			
Site Name:	SYARIKAT ILAM			
Address:	OIL PALM MINI ESTATE, SG PAOH, 96100, SARIKEI, SARAWAK			
Management Contact details:				
Name	Job Title	Mobile	Telephone	Email
Wong Lick Tung	Manager	019 819 3255	048 656608	wildan.wong@yahoo.co.uk
Ilam Binti Iman	Managing Director			
No of Employees	Local: 7	Foreign: 11	Total: 18	
MPOB License No:	5510 7600 2000	Expiry Date:	30 06 2020	
Scope of Activity:	Menjual dan Mengalih FFB#			
Date of Establishment	2003	Geo-Coordinates	N02°01.59.1' E111°26.37.3'	
Certified Area:	233.56 ha	Planted Area	220ha	
FFB Production (actual) 2018	5937mt	FFB Production (estimate) 2019	5878mt	
FFB Production (actual) 2017	5736mt	FFB Production (estimate) 2020	6465mt	
Sources of FFB	Own estate	Main FFB purchaser	Manis Oil Mill Sdn Bhd	
No of Planting Blocks	14	No of Palm trees	29,085	
Palm Species	Golden Hope 500	Age Range of Palm Trees	10 to 16 years	
Land Status: Ownership	<input checked="" type="checkbox"/> Own Land 153.84ha	<input checked="" type="checkbox"/> Rented (25 years tenure) 79.72ha	<input type="checkbox"/> Joint Venture	
Other Sustainability Certification:	Nil			

2. THE AUDIT TEAM

Audit Stage	Name:	Role
Stage 1	Dominic Retan Giah	Lead Auditor
	Robert Tella	Auditor
Stage 2	Wilfred S Landong	Lead Auditor
	Robert Tella	Auditor
	Duke Ladin	Auditor in Training

A.	Wilfred S Landong	Lead Auditor [Stage 2]
Qualifications:		
<ul style="list-style-type: none"> Advanced Dip in Business & Management, UK Degree in Marketing, UK Masters in Marketing, UK Successfully completed MSPO Lead Auditor Course (Pioneer Group) On 30th January, 2015 		
Working Career & Experience:		
Year ended	Employer	Highest Job
1980	Cigarette Importers & Distributor	Area Executive
1990	Sebor Sarawak Sdn Bhd	Divisional Manager
1997	Gillette (M) Sdn Bhd	Country Manager
1999	Zuelling (M) Sdn Bhd	Sales & Marketing Director
2002	TimeDotCom. Bhd	Vice President
2012	Sarawak Forestry Corporation Sdn Bhd	General Manager
Present	BQAS Certification (M) Sdn Bhd	Managing Director
Relevant MSPO Related Credentials:		
<p>Sarawak Forestry Corporation SB</p> <ul style="list-style-type: none"> Pioneer GM of Sarawak Forestry Corporation SB (SFC), a wholly owned Company of Sarawak Government; responsible for formulating and implementing the Company's organization structure, policies, regulations, procedures etc. Custodian of accreditation & certification related to management of Protected areas & Biodiversity conservation. During tenure of office, Certification achieved included ISO9001 (2004), ISO14001(2004), OHSAS1800 (2007) Intimate knowledge of sustainable forestry management and regulatory requirements enhanced a clear perspective & understanding of how palm oil industry should be managed sustainably. Highly conversant & knowledgeable on Sarawak Forests Ordinances, Wildlife Protection Ordinance, Land Code, Native/NCR land laws; easily can relate and apply to governance and implementation of MSPO Principles & guidelines. 		



BQAS Certification (M) SB

- As MD of BQAS responsible for the formulation & implementation of Quality Manual, Policies & Procedures as required for Accreditation as Certified Body by Department of Standards Malaysia (DSM) under ISO/IEC 17021-1.
- Top management accountability & responsibility to ensure BQAS conformance & compliance on operations, implementation & administration of MSPO MS2530:2013 as required by the owner of the Standard (MPOCC).

B.	Dominic Retan Giah	Lead Auditor [Stage 1]
Qualifications		
<ul style="list-style-type: none"> • Bachelor of Science [Wood Technology], Colorado State University, Fort Collins USA. • Diploma in Wood Technology [UITM] Shah Alam, Selangor • Senior Cambridge, St Joseph School, Kuching, Sarawak. 		
Working Career & Experience:		
Year ended	Employer	Highest Job
2017	Mitsubishi Heavy Industries Ltd	Environmental Officer
2014	Manager, EIA & Certification	Saytech General Inspection Services Sdn Bhd
2012	District Plantation Manager	Sarawak Planted Forest Sdn Bhd
2008	Senior Training Officer	Grand Perfect Sdn Bhd
2002	District Planner	Borneo Pulp and Paper Sdn Bhd
1997	Manager	Easimax Dynamics Sdn Bhd
Relevant MSPO Related Credentials:		
<ul style="list-style-type: none"> • MSPO Lead Auditor [Pioneer Group]. Course No 1 dated 26 to 30th January 2015 • EIA Consultant No C038[NREB/1/2008] March 2014 • Had logged more than 150 Mandays as MSPO Lead Auditor 		

C.	Robert Tella Gunjom	Auditor
Qualifications		
<ul style="list-style-type: none"> • Senior Cambridge Certificate • Completed Train the Trainer Course by HRDF in August 2018 • Completed MSPO Auditor Course in September 2018 		
Working Career & Experience:		
<ul style="list-style-type: none"> • Join Royal Malaysian Navy (RMN) in 1981 • Retired from RMN in 2007 with the rank of Lieutenant Commander 		
Relevant MSPO Related Credentials:		



Undergone training and practiced in the following

- Total Quality Management (TQM)
- Integrated Logistics Support (ILS)

D.	Duke Ladin	Auditor in Training
Qualifications		
<ul style="list-style-type: none"> • Bemidji State University, Bemidji, Minnesota, USA in 1999 • Bachelor of Arts (Hons) in Management, Open University Malaysia [OUM] 2016 • Successfully completed MSPO Auditor Course in February 2019 		
Working Career & Experience		
<ul style="list-style-type: none"> • Oil Palm Planter [MPOB License 4528 2700 1000 since 2009] • Contractor – Construction Company [2014-2017] • Project Manager [2007-2013] 		
Relevant MSPO Related Credentials:		
<ul style="list-style-type: none"> • As an Oil Palm Planter, highly conversant and experienced in operating Oil Palm Smallholding Company • Practical experience in Palm oil Business & Business management practices. 		

3. AUDIT METHODOLOGY

This certification assessment is a SAMPLING process where management systems effectiveness & efficiency are confirmed via an audit trail that the Auditor established to make an accurate conclusion.

Information gathering Data collection	<ul style="list-style-type: none"> • Interviews • Observation of process & activities • Review of documentations & records • Site visits • Field inspections
Assessment method	<p>Paper</p> <ul style="list-style-type: none"> • Assessing past implementations from records, reports of the management system <p>Practice</p> <ul style="list-style-type: none"> • Assessing current implementation from observing current practices <p>People</p> <ul style="list-style-type: none"> • Assessing future maintenance from interviewing personnel on understanding & assessing competencies
Stage 1: Audit Findings Classification	
Term	Meaning / Description
Acceptable	Fulfill requirement of audited standard



Acceptable with findings noted	Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization	
Not acceptable	Demonstrate absence or total breakdown of system to meet standard requirement	
Stage 2: Audit Findings Classification		
Term	Meaning	Description
YES	Compliance	Fulfill requirement of audited standard
OFI	Opportunity for improvements	Demonstrate conformity. There are, however, improvement opportunity identified that will benefit the organization
NO (minor NC)	Minor non conformity	Non-compliance to standard requirements or company's SOP; or are issues that when combined, jeopardized the functioning of the system
NO (major NC)	Major non conformity	Demonstrate absence or total breakdown of system to meet standard requirement, or a number of minor NC against a clause of standard requirements / at a particular area. Of last assessment that are not effectively addressed will be classified as major NC.

4. AUDIT PLAN

AUDIT SITES:

For both Stage 1 & Stage 2 the Audit Team performed assessments at:

- Syarikat ILAM main office [documentations]
- Plantation site office/field Audits

STAGE 1 AUDIT PROGRAM:

Date	24 to 25 04 2019	No of Auditors	2	No of Mandays	4
Day 1	Documentation Audit at Syarikat Ilam Office/Opening Meeting				
Day 2	<ul style="list-style-type: none"> • Plantation Site & Field Audit/ Stakeholders Consultation & interviews • Closing Meeting & Stage 1 Audit Report presentation 				
Audit Parameters:					
<ul style="list-style-type: none"> • Basic information about the entity • Management system: scope & documentation • Evaluation of location/site specific conditions • Review understanding regarding requirements of the MSPO Standards (key performance, processes, objectives) • Related statutory & regulatory aspects & compliance • Land status/legality 					



- MSPO policies, procedures
- Management Manual
- Management Plan
- Resources management (water/non-renewable energy use)
- Determine preparedness for Stage 2 Audit
- Fertilizers/Chemical/Schedule waste stores
- Estate Office & Workers Quarters, Signages
- Boundary Markers, Geo-coordinates, Buffer Zone, Riparian Reserves
- Stakeholders interviews

STAGE 2 AUDIT PROGRAM:

Date	27 to 29 th June, 2019	No of Auditors	3	No of Mandays	9
Day 1	Documentation Audit at SYARIKAT ILAM Office/Opening Meeting				
Day 2	Plantation Office Site & Field Audit/ Stakeholders Consultation & interviews				
	Documentation Audit at SYARIKAT ILAM Office/Closing Meeting/Audit Report				

Audit Parameters:

- Evaluate implementation, including effectiveness of the management system
- Information & evidence about conformity to all requirements
- Performance monitoring, measuring, reporting
- Reviewing against key performance objectives & targets
- Performance as regards legal compliance
- Operational control of the client's process
- Internal auditing & Management review
- Management responsibilities for policies
- Links between the normative requirements, policy
- Competence of personnel
- Customer specific requirements
- Harvesting / collection of loose fruits / logistics & traceability of FFB
- Use of PPE / Safety & Health training program
- Revisit other points/areas of buffer zone, Riparian reserves, boundaries
- Implementation of Policies & procedures at all stores (fertilizer, chemical, schedule waste store)
- Improvements to workers quarters – health & safety
- Infrastructure / roads & drainage / natural water management
- Continuous improvement plan & implementation
- Implementation of Best practices
- Implementation of environmental management plan
- Stakeholders & workers interview

5. AUDIT PROCESS

The Audit Process for Stage 1 Assessments was programmed as follows:

No	Process	Description / Activities
1	Public Notification	Written notice to inform public on MSPO Audit is posted at Plantation Office 1 month before Audit dates. Public notice as follows: <ul style="list-style-type: none"> • Stage 1: 23 March, 2019

	↓	
2	Audit Plan	Auditee received 2 weeks before Audit dates
	↓	
3	Audit Day 1	<u>Main Office, Sarikei</u> <u>Opening Meeting</u> Participants: Audit Team & Auditee Management Agenda: Audit Plan, Objectives, Assessment Method <u>Documentation Review</u> Management Systems, Policies, Procedures, MSPO Principles 1 to 6 documents etc.
	↓	
4	Audit Day 2	<u>Syarikat Ilam Plantation Site / Office Audit</u> Stakeholders interviews, MSPO knowledge of Estate staffs, Checks & verifications on Boundary, Buffer Zone, Riparian Zone, Waste/scheduled waste management, Water management, Water courses, Staff/workers housing & amenities, Harvesting, Use of PPE, Stores, Workshop <u>Closing meeting</u> Participants: Audit Team & Auditee Management Agenda: Report / Checklists: review, discuss & decide corrective & forward action to be taken with Auditee

The Audit Process for Stage 2 Assessments was programmed as follows:

No	Process	Description / Activities
1	Public Notification	Written notice to inform public on MSPO Audit is posted at Plantation Office 1 month before Audit dates. Public notice as follows: <ul style="list-style-type: none"> • Stage 2: 25th May, 2019
	↓	
2	Audit Plan	Auditee received 2 weeks before Audit dates
	↓	
3	Audit Day 1	<u>Main Office, Sarikei</u> <u>Opening Meeting</u> Participants: Audit Team & Auditee Management Agenda: Audit Plan, Objectives, Assessment Method



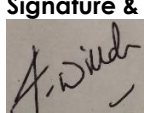
		<p><u>Documentation Review</u> Management Systems, Policies, Procedures, MSPO Principles 1 to 6 documents etc.</p>
	↓	
4	Audit Day 2	<p><u>Syarikat Ilam Plantation Site</u> Stakeholders interviews, MSPO knowledge of Estate staffs, Checks & verifications on Boundary, Buffer Zone, Riparian Zone, Waste/scheduled waste management, Water management, Water courses, Staff/workers housing & amenities, Harvesting, Use of PPE, Stores, Workshop</p>
	↓	
4	Audit Day 3	<p><u>Syarikat Ilam Main office, Sarikei</u> Continuation of documentation Audit <u>Closing meeting</u> Participants: Audit Team & Auditee Management Agenda: Report / Checklists: review, discuss & decide corrective & forward action to be taken with Auditee</p>

6.	STAGE 1 AUDIT	MSPO MS2530-3:2013
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MSPO Stage 1 Audit Report	Reference No.: SI/AU/ST1/04/19
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Standard(s):	<input type="checkbox"/> MS 2530-1 <input type="checkbox"/> MS 2530-2 <input checked="" type="checkbox"/> MS 2530-3 <input type="checkbox"/> MS 2530-4
Other Standard and/or Edition:	NIL

Organization:	Syarikat Ilam	
Address:	No. 27, Jalan Repok	
City, State, Zip:	96100 Sarikei,	
Country:	Sarawak	
Organization Representative:	Mr Wong Ling Tung	
Stage 1 Audit Date:	24/04/2019 – 25/04/2019	
Stage 2 Scheduled Date:	To be confirmed	
BQAS Audit Team:	Name	Role
	Dominic Retan Giah	Lead Auditor
	Robert Tella	Auditor in Training

ACKNOWLEDGEMENT & DECLARATION		
BQAS LEAD AUDITOR	DOMINIC RETAN GIAH	Signature & Date: 25 04 2019  for Dominic Retan
COMPANY REPRESENTATIVE	MR WONG LING TUNG	Signature & Date: 25 04 2019 



This acknowledges the BQAS audit team's visits to this location and the organizations receipt of the report. Distribution of this report consists of the organization named above and parties names per contractual agreement. Additional distribution must be authorized by the organization.

1. INFORMATION ABOUT THIS ORGANISATION

NOTE: Provide here information about the main site or excerpt site(s) that is included in this Certification

ORGANIZATION		SENG KIN OIL PALM SDN BHD			
1	Site or Remote Location	Site: Syarikat Ilam No. 27, Jalan Repok, 96100 Sarikei, Sarawak			
2	Facility covered under this Audit	Oil Palm Plantation			
		Site Office Management Facilities			
3	Primary Function of the Site	Plantation/Organized Smallholders			
4	Address	No. 27, Jalan Repok, 96100 Sarikei,			
5	Headcount	Staffs	3	General Workers	15
6	Planned / Recommended Stage 2 Audit Mandays	9			
7	FFB Production 2019 [estimate]	5878mt			

NOTE: Do not complete this column for sites where another Stage 1 Audit is required

SCOPE	Lists the Scope of Registration for each applicable standards
MPOB Registration No	551076002000 (valid 01/07/2018 – 30/06/2019) for 233.56 ha.
Scope of Registration	MENJUAL DAN MENGALIH FFB

2. MANAGEMENT SYSTEM READINESS (GENERAL)

Was the review of the client's status and understanding regarding requirements of the standard/ specification, in particular with respect to the identification of key performance or significant aspects, processes, objectives and operation of the management system was found to be adequate?	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: Adapting the estate operations to the MSPO Principles and Criteria may be better improved by addressing issues related to environment and social aspects.
The Top-Level Management System Manual detailing justification for exclusions, inclusion of or reference to documented procedures for the management system, and providing a description of the interaction between processes?	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: The filing system commendably follows the MSPO Principles (P1 to P6) for ease of reference. The loose documents on related subjects may be indexed to these principles for ease of reference.
List any manual discrepancies: 1. No response to BQAS required 2. Changes will be reviewed during Stage 2 audit	
The policy is defined and appropriate to the purpose of the organization?	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: Sighted: Syarikat Ilam Environmental Policy SILAM/PLC/0419-09 dated 01.04.2019 file sighted and found to be comprehensive.
Transparency is identified to ensure management of stakeholders are meet with MSPO requirement.	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence:

	<p>Transparent Method of Communication & Consultant doc. no. SILAM/MSPO-2.2, Syarikat Ilam (111/91) describing the Procedure on Application for Company Information which applies to estate workers, authorities and any requests over the telephone. A flow chart indicates how such requests are tracked and acted on by relevant parties in the estate organization. Noted: letter of appointment of Mr Wong Ling Tung as PIC for Information and documents.</p>
Transparency is identified in complying with traceability system.	<p> <input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: SILAM/MSPO-2.3, Syarikat Ilam (111/91) contains a record of FFB production for 2017, 2018 & 2019 as well as a loose collection of “Return of Windfall Profit Levy Payable by Registered Producer”. </p>
Process for identification of legal and other requirements.	<p> <input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: Legal register available (OT05 version 01/02/2019 reviewed 18/04/201 listing 18 items relevant to operations (16 issues) and social matters (2 issues). Noted: appointment letter of Mr Wong Ling Tung as PIC for Regulatory Requirements. </p>
Process for internal and external communication.	<p> <input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: Noted lists of stakeholders comprising internal stakeholders (staff & workers) and external stakeholders (local community & local NGOs, authorities, etc.). Noted: the appointment of Mr Wong Ling Tung as the PIC for monitoring documents as well as PIC for dealing with complaints and grievances. </p>
The outputs from management reviews are consistent with the commitment to continual improvement.	<p> <input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed. <input type="checkbox"/> Not applicable due to not required for group management of independant smallholder (refer to 2.1d for detail) <input type="checkbox"/> Special case with valid reason agreed by Lead Auditor Comments/Justification/Evidence: Management Review is described in doc. no. 1, version 1, dated April 2019. First Management Review Meeting was conducted on 21/03/2019. </p>
Internal audits planned and performed? Records are available?	<p> <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not applicable due to not required for group management of independant smallholder (refer to 2.1d for detail) Comments/Justification/Evidence: Conducted by BCE consultant on 05/03/2019. A total of 21 findings listed out as Non-Compliance and acted upon for closure by 05/04/2019. Non-availability is considered as nonconformance. </p>
Is a translator required?	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </p>



2.1 SUPPLEMENT FOR MS 2530-2, MS 2530-3 & MS 2530-4 (POLICIES)
 Review the information listed below to determine readiness of the organization for the stage 2 audit.

MSPO Policy	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: Policy file sighted and found to be comprehensives and marked as SILAM/PLC/04/19-09 signed by Managing Director Mdm Ilam binti Iman on 01/04/2019.
Safety and Health Policy	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Document sighted and marked as SILAM/OSH/01/19-01 dated 01/01/2019.
Sexual Harassment Policy	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Policy sighted and available and marked as SILAM/PLC/04/09-04.
Good Social Practice Policy	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Policy sighted and found mark as SILAM/PLC/04/09-02 dated 01/04/2019.
Environmental Policy	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Document sighted: SILAM/PLC/04/09-08 Environmental Policy signed by the MD on 01/04/2019.

B) PROCEDURES

Training Procedure	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Doc. no. SILAM/MSPO-4.6 Training which provides a Training Needs Analysis for 2019/2020 and a Training Programme for 2019-2020.
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Internal Audit Procedure	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Document for procedures incomplete. To provide proper Internal Audit procedures.
Complaint and grievance Procedure	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Noted: appointment letter of Mr Wong Ling Tung as PIC for handling complaints and grievances on 01/04/2019.
Communication Procedure	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Parts of disjointed information required for this procedure are available: Company Information Flow Chart, List of Stakeholders and Procedure to Apply for Company Information.
Emergency and Incident procedure	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: Emergency, Preparedness and Response doc. Ref. SILAM/SOP/SHE/04, rev. No. 1, effective date 20/04/2019, detailing types of incidents, emergency response team, emergency equipment & facilities and flow charts for emergency response procedures and the action & communication for ERP.
Traceability SOP	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independant Smallholder) Comments/Justification/Evidence: The closest to the SOP is a description of work flow mentioned in the Best Management Practices regarding harvesting of FFB. The person-in-charge of Traceability is Mr Wong Ling Tung appointed by the Estate Manager Wong Yiik Kie on 01/04/2019.



<p>Site Management SOP</p>	<p> <input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) <input type="checkbox"/> Not Applicable for MS 2530-4 (palm oil mill) <i>Note: in case of single site certification</i> Comments/Justification/Evidence: Documents SILAM/PLC/05-01 covering an inventory of palms, circle and path weeding, disease control, drainage, manuring and FFB delivery. </p>
<p>Mill Management SOP</p>	<p> <input type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) <input checked="" type="checkbox"/> Not Applicable for MS 2530-3 (plantation) <i>Note: in case of single site certification</i> Comments/Justification/Evidence: <i>Not applicable</i> </p>
<p>Chemical Handling SOP</p>	<p> <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: SILAM/PLC/04-04 Pengendalian dan Pelupusan Bahan Kimia, effective date 01/02/2019, covering fertilizer, pesticides, used empty chemical containers, and disposal of spent chemicals. </p>
<p>Scheduled Waste Handling SOP</p>	<p> <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Included in Waste Control / Waste identification (Doc. No. SILAM/WI/ENV/05 effective date 20/04/2019, scheduled waste being one of 6 on the list. The other waste types are biomass waste, construction waste, domestic waste, sewage & e-waste. </p>

<p>C) DOCUMENTS</p>	
<p>List of Stakeholder</p>	<p> <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Document sighted and found in list of stakeholders and marked as ST 02 dated 20.04.2019. </p>



Land ownership	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: All planted land are legally documented and document sighted in file SILAM 111/19 file “Compliance To Legal Requirement” No. 3 Receipts of payment to land owner sighted. Own land: 153.84ha Rented land: 79.72ha
Customary Right document	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Not applicable to the occupied land <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: All documents sighted and found to be legal in file SILAM 111/19 file “Compliance To Legal Requirement” No. 3.
Boundary mapping of the land	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: Mapping of planted land available and sighted. Boundary peg clearly sighted and painted white above the ground.
HIRARC	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Document sighted and marked as SILAM/WI/OSH/04 dated 20.04.2019.
Training Programme	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Training Programme seen and in order. Training records documented and recorded with pictures of participants. Found file No.4.
Environmental Policy and Management Plan	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Document seen on file mark SILAM/MSPO-5.1 File No.5.



Non-renewable energy estimation	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Document not complete. To establish and maintain records of “Non Renewable Energy” usage file.
Waste Identification	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: Document found and sighted in file No.5 referred to as SILAM/WI/ENV/05 dated 20.04.2019.
Water Management Plan	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Document found and sighted in file No.5 referred to as SILAM/WI/ENV/03 dated 20.04.2019. Sources of water: Treated water (JKR).
Business Management Plan	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed Comments/Justification/Evidence: Document sighted and found in Best Practice file No.6.
Product Pricing Mechanism	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Document found in transparency file No.2 silam/mspo-2.3 Price very much dependent on MPOB.
Contractor Agreement	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Contractor Agreement seen and referred to as SILAM/AGR/TRST/01/19-01. Transporter contractor only.
Soil and Topographic Information	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Incomplete information on soil and topographic information. To provide/establish information on soil and topographic.



Social and environmental impact assessment - <input type="checkbox"/> Environmental Impact Assessment - <input checked="" type="checkbox"/> Social Impact Assessment – - <input type="checkbox"/> HCV Assessment	<input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Incomplete SIA document. To conduct more SIA studies and come up with report.
Legal Assessment of Customary land	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Not Applicable <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Document found and sighted and in order in file No.3 marked SILAM/MSPO-3.2.
Compensation claim of customary land	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Acceptable with findings noted <input type="checkbox"/> Not Applicable <input type="checkbox"/> Unacceptable – recommend audit (Stage 2) to be delayed <input type="checkbox"/> Not Applicable for MS 2530-2 (Independent Smallholder) Comments/Justification/Evidence: Document found and sighted and in order in file No.3 marked SILAM/MSPO-3.2.

Job Description (Except for independant smallholder)	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Not Acceptable Comments/Justification/Evidence: Available: For the Admin Executive, Clerk, Assistant Estate Manager, Field Conductor & Purchasing Officer. However, there is JD for sprayer and harvester (these workers being piece-rate).
Payslip (Except for independant smallholder)	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Not Acceptable Comments/Justification/Evidence: Payment for the 4 monthly paid workers noted in the monthly EPF statement (sample sighted April 2019). No workers earned less than the national minimum wage of RM1100. Deductions only for EPF contribution.
Sales and Delivery record of FFB (for independant smallholder only)	<input type="checkbox"/> Acceptable <input type="checkbox"/> Not Acceptable Comments/Justification/Evidence:
Other records: NA	
D) INCASE GROUP MANAGEMENT IS APPLIED (According to MSPO Certification System)	
Appointment of Group Manager	<input type="checkbox"/> Acceptable <input type="checkbox"/> Not Acceptable Comments/Justification/Evidence: NA
Technical knowledge of Group Manager	<input type="checkbox"/> Acceptable <input type="checkbox"/> Not Acceptable Comments/Justification/Evidence: NA

Features of group certification - Group Manager - Members - Internal Control System (ICS) - Binding contract - Internal procedures for handling grievances and complaints	<input type="checkbox"/> Acceptable <input type="checkbox"/> Not Acceptable Comments/Justification/Evidence: NA
Adequacy of Internal Control System (ICS)	<input type="checkbox"/> Acceptable <input type="checkbox"/> Not Acceptable Comments/Justification/Evidence: NA
Conducting assessment to group member	<input type="checkbox"/> Acceptable <input type="checkbox"/> Not Acceptable Comments/Justification/Evidence: NA

LIST SPECIFIC FINDINGS FROM SECTION 2 AND THE ORGANIZATION PLANNED ACTIONS		
NO	FINDINGS	ACTIONS
1.	Internal Audit Procedure	To provide proper Internal Audit procedure.
2.	Transparency	To improve on the present procedure by incorporating a list of stakeholders, types of information to be exchanged and method of communication.
3.	Traceability system	To describe a procedure on checking for accuracy of records (in a logbook) and the responsible senior person for verification. To describe the flow of FFB and the associated checking of quantity and quality by responsible estate personnel for accuracy from the estate to the mill.
4.	Traceability SOP	To strengthen on the procedure in Best Management Practice for FFB with a specific focus on the responsibility for checking of the accuracy and quantity of the FFB harvested.
5.	Process for internal and external communication.	To provide a procedure which incorporates the manner of communication with internal and external stakeholders (as defined in the List of Stakeholders).
6.	Process for identification of legal requirements	To set up a procedure for identification of legal requirements catering to evaluation of legislation for compliance and review for updates.
7.	Management review meeting	The agenda should address the issues raised in the internal audit report and discuss immediate action, root causes and prepare long term correction action plans.
8.	Soil and topographic information.	To provide/establish information on soil and topographic.
9.	Training procedure	To provide a procedure on conduct of training describing the process of training needs analysis, training programme and evaluation of trainees on effectiveness of training.
10.	Non-Renewable Energy Estimation	To establish and maintain records of "Non Renewable Energy" usage.
11.	Communication Procedure	To strengthen the existing procedure on applying for information – in order to handle feedback, complaint and grievance from stakeholders (internal as well as external) along with the applicable forms and a records logbook.
12.	Site management	<ul style="list-style-type: none"> To educate workers on hygiene and housekeeping around housing area. To ensure proper disposal of litter and avoid discarded waste materials under the palms. To remove broad-leaved plants (such as woody shrubs and rubber tree seedlings) and VOPS around the palms. To stack fronds in rows and avoid disposal into a watercourse.
13.	Social and environmental impact assessment	To conduct further SIA & on the assessment by making it relevant to the SILAM plantation.
14.	Job description	To prepare job description for the sprayer, harvester and general worker.
15.	Payslip	To make the pay-slip / summary of payment received by piece-rated workers available at the next audit
16.	Equipment Store	To erect shelves for storage of tools and gear.



THE FINDINGS AS DISCUSSED ARE SUITABLE		
Action will be taken by	Date:	12 06 2019
Management Representative	Name: Mr Wong Ling Tung	Signature: 25 04 2019
Lead Auditor	Name: Dominic R. Giah	Signature: 25 04 2019 for Dominic Retan

5.	STAGE 1	AUDIT RESULTS
Further special technical competencies needed?		<input checked="" type="checkbox"/> Yes, please specify: MSPO training for staffs <input type="checkbox"/> No
List any further information necessary for planning the Stage 2 audit: Nil		
Based upon review of the above, please state your		<input checked="" type="checkbox"/> Ready for Stage 2 as scheduled <input type="checkbox"/> Ready for Stage 2 with concerns <input type="checkbox"/> Not ready for Stage 2

OVERALL ASSESSMENT OF STAGE 1

Based on overall Audit results, Syarikat Ilam is ready to be assessed under STAGE 2. This is conditional to all action to be taken in STAGE 1 Corrective Action Report is completed & closed by or before STAGE 2 Audit Date.

Dominic Retan
LEAD AUDITOR
25TH April 2019

Notes

The stage 1 audit was based on collecting the necessary information regarding:

- the scope of the management system, processes and location(s)
- reviewing the organization's status and understanding regarding the requirements of the standard
- the identification of objectives, processes and operations of the management

The above stated recommendation regarding the organization's readiness for registration or upgrade is limited to this information collected and was not based on a full audit of the management system.

The information in this report should assist the organization in determining any action(s) needed prior to the stage 2 audit and whether to proceed with the stage 2 audit as currently scheduled.

6.1	REPORT SUMMARY: FINDINGS/ACTION TAKEN / CLOSURE
6.1.1	SUMMARY OF FINDINGS
<p>There were 16 Findings in Stage 1 Audit classified as AWF (acceptable with findings noted). Corrective action reports [CAR] were raised on these findings and presented to Auditee for action [at end of Stage 1 Audit] with timeline of 2 months from 25 04 2019 to respond.</p>	



6.1.2	ACTION TAKEN BY AUDITEE
Auditee responded with documentations & photo evidence [where appropriate] on corrective action taken; last submission of response by Auditee received on 30 05 2019.	
6.1.3	CLOSURE OF CAR BY LEAD AUDITOR
The corrective action report (CAR) for these findings were closed out by Lead Auditor on 15 06 2019; upon satisfactory confirmation and verification that all corrective actions taken were in line with MSPO requirements & MS2530-3:2013 Standards	

7.0.	STAGE 2 AUDIT [ASSESSMENT]	MSPO MS2530-3:2013
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7.1	BASIC INFORMATION
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BASIC INFORMATION

A. CERTIFICATION BODY

Name	BQAS Certification (M) Sdn Bhd			
Audit Dates:	From	27th	To	29 th June 2019
Audit Duration:	9 man-days			
Audit Team:	Name			Role
	Wilfred S Landong			Lead Auditor
	Robert Tella			Auditor
	Duke Ladin			Auditor in Training

B. CERTIFIED ENTITY

Company Name:	SYARIKAT ILAM		Registration No	111/91	
Address:	NO 27 JALAN REPOK, 96100, SARIKEI, SARAWAK				
Site Name:	SYARIKAT ILAM				
Address:	OIL PALM MINI ESTATE, SG PAOH, 96100, SARIKEI, SARAWAK				
Management Contact details:					
Name	Job Title	Mobile	Telephone	Email	
Wong Lick Tung	Manager	019 819 3255	048 656608	wildan.wong@yahoo.co.uk	
Ilam Binti Iman	Managing Director				
No of Employees	Local	7	Foreign	11	Total 18
MPOB License No:	5510 7600 2000		Expiry Date:	30 06 2020	
Scope of Activity:	Menjual dan Mengalih FFB#				
Date of Establishment	2003		Geo-Coordinates	N02°01.59.1' E111°26.37.3'	
Certified Area:	233.56 ha		Planted Area	220ha	



FFB Production (actual) 2018	5937mt	FFB Production (estimate) 2019	5878Mt
FFB Production (actual) 2017	5736mt	FFB Production (estimate) 2020	6465Mt
Sources of FFB	Own estate	Main FFB purchaser	Manis Oil Mill Sdn Bhd
No of Planting Blocks	14	No of Palm trees	29,085
Palm Species	Golden Hope 500;	Age Range of Palm Trees	10 to 16 years
Land Status: Ownership	<input checked="" type="checkbox"/> Own Land 153.84ha	<input checked="" type="checkbox"/> Rented (25 years tenure) 79.72ha	<input type="checkbox"/> Joint Venture
Other Sustainability Certification:	Nil		

Principle 1: Management Commitment and Responsibility

Criterion 1: Malaysian Sustainable Palm Oil (MSPO) Policy

Indicator	Requirement	Compliance	Findings
1	A policy for the implementation of MSPO shall be established.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Syarikat Ilam (SI) has the following policies documented vide doc no: SILAM/PLC/04/19/01-09 1. MSPO Policy 2. Environmental Policy 3. Good Social Practice Policy 4. Freedom of Association and Collective Bargaining Policy 5. Human Rights Policy 6. Women's Rights Policy 7. Special Labor & Forced Labor Policy 8. Equal opportunity Policy 9. Sexual Harassment Policy 10. Zero Burning Policy All policies are verified and signed by MD dated 01 04 2019. Adequate no of policies for implementation of MSPO.
2	The policy shall also emphasize commitment to continual improvement.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified in the SILAM/PLC/04/19-08 dated 01 04 19 Quote Environmental Policy "Syarikat Ilam is committed to conducting all our operation activities in an environmentally responsible manner and to continually improve environmental performance in within our plantation"

Criterion 2: Internal audit

Indicator	Requirement	Compliance	Findings
1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Internal Audit is documented vide doc SILAM/MSPO/1.2 Noted & verified SI Internal Audit for 2019 was conducted on 05 03 19. Objective: GAP analysis assessment to determine the readiness & preparation of Si for MSPO Certification under MSPO 2530-3:2013. Assessment conducted by Mohd Izzul; Principle 1 to 6; However, Corrective Action report (CAR)



			was not raised and findings were not closed out.
2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Noted and verified Internal Audit Procedure (rev 01) is documented vide doc SI/MSPO/SOP/003 dated 02 03 19. IA results are well documented and contained action & documentation required to determine root cause/analysis, corrective actions & justification. However, Corrective Action report (CAR) was not raised and findings were not closed out.
3	Report shall be made available to the management for their review.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted vide document Management review meeting minutes on 26 04 19 that Internal Audit report (02 03 19) was presented to management for review.
Criterion 3: Management review			
1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified that SI had conducted 2 management review as follows: <ol style="list-style-type: none"> 1st Management review on 21 03 19 to review changes in external & internal issues that are relevant to the MSPO requirements 2nd MR on 26 04 19 to evaluate review MSPO implementation & update Policies; & status of action taken on issues from 1st MR. Both management reviews were attended by management and staffs of SI; chaired by MD
Criterion 4: Continual improvement			
1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Continual Improvement is documented vide Doc SILAM/MSPO/1.4 dated 15 04 19. The plan include improvements on: <ul style="list-style-type: none"> • Water quality management • Soil erosion, slope & sediment pollution • Scheduled waste management • Chemical management • Peat management • Flora & fauna • Air quality management • 3R management • Store management Verified and in compliance
2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A system to improve practices is documented vide doc SILAM/BMP/04/19-06 dated 02 23 19 (Best Management Practices). For new industry standards it is verified and noted that SI had implemented the use of Water Quality Monitoring Kit (La Motte #5870-01). The test parameters: <ul style="list-style-type: none"> • pH



			<ul style="list-style-type: none"> • nitrate-nitrogen • phosphate • dissolved oxygen • total alkalinity • turbidity • temperature <p>This improved practice would be helpful in educating estate staff on importance of maintaining water quality.</p>
3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>On water quality monitoring the Estate Manager is the person trained to implement the new techniques.</p> <p>SI had done training need analysis on 04 04 19 and identified 50 types of training for 2019-2021; documented in the Training Plan. These training would involve all level of staff and areas of training include:</p> <ul style="list-style-type: none"> • best management practices • environment • social & legal • safety & health

Principle 2:	Transparency
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Criterion 1: Transparency of information and documents relevant to MSPO requirements			
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Indicator	Requirement	Compliance	Findings
1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Policies, Safe Handling of Chemicals poster, Zero burning poster, Illegal rubbish dumping poster, memo of contractual work rates and memo of Publicly Available Documents were found at the site office notice boards as sighted during site audit visit.</p> <p>The 'Record Book of Stakeholder or interest party who has viewed/obtained documents' during the time of the audit has not registered any request for documents.</p> <p>Publicly Available Documents can be obtained by filling up a form 'Application for Information Form' which the sample is in the folder Ref. SILAM 111/19/MSPO/Transparency/File no 2.</p>
2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>.List of Publicly available documents was viewed as a memo in the folder Ref. SILAM 111/19/MSPO/Transparency/File no 2 and at the site office board. It was signed and approved by Mr Wong Ling Tung, the co-owner and appointed MSPO coordinator on 04/03/2019.</p>

Criterion 2: Transparency method of communication and consultation			
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1	Procedures shall be established for consultation and communication with	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Viewed procedures can be found in the file Ref. SI-MSPO-SOP-002, established on
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	the relevant stakeholders.	<input type="checkbox"/> OFI	01/05/2019. The procedures is properly written stating consultation and communication with both internal and external stakeholders.
2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	As a sole-proprietor company, any issues in regards to stakeholders to be handled mostly by the owners. At the plantation, workers issues is the responsibility of the estate manager, Mr Wong Yiik Kie. Verified through the conversation with Mr Wong Ling Tung, the appointed MSPO coordinator as cited in the appointment letter Ref. SILAM/MSPO/APL/1/2019 dated 01/01/2019, approved and signed by Wong Yiik Kie, the estate manager.
3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	List of stakeholders were properly documented in the folder Ref. SILAM 111/19/MSPO/Social Responsibility, Health, Safety and Employment Conditions/File no 4, sub folder SILAM/MSPO-4.1. Methods of recording input from stakeholders were using 'Application for Information Form' which the sample is in the folder Ref. SILAM 111/19/MSPO/Transparency/File no 2, Complaints and grievances form, viewed sample at Ref. SILAM 111/19/MSPO/Social Responsibility, Health, Safety and Employment Conditions/File no 4, sub folder SILAM/MSPO -4.2 and 'Borang Pengesahan Penerimaan, Tindakan/Penyelesaian Rungutan dan Aduan' in sub folder SILAM/MSPO - 4.2.
Criterion 3: Traceability			
1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The standard operating procedure for traceability was established on 02/05/2019, approved and signed by the managing director. The SOP can be viewed in the file Ref. SI-MSPO-SOP-001
2	The management shall conduct regular inspections on compliance with the established traceability system.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The person in charge inspected the traceability system 3 times a week through compilation of records given by the clerks.
3	The management should identify and assign suitable employees to implement and maintain the traceability system.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Mr Wong Ling was appointed as the person in charge traceability through his appointment letter dated 01/01/2019 in the file Ref. SILAM/MSPO/APL/1/2019, signed by the estate manager.
4	Records of sales, delivery or transportation of FFB shall be maintained.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<ul style="list-style-type: none"> ● Harvesting Muster Chit ● FFB Block Transportation chit ● Weighbridge advice ticket ● Sales Receipts ● Payment Receipts

Principle 3:	Compliance to Legal Requirements
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Criterion 1: Regulatory requirements			
Indicator	Requirement	Compliance	Findings

Indicator	Requirement	Compliance	Findings
1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>All operation are in compliance and applicable. Ref.:</p> <p>A. MPOB Licence No. 551076002000 expire on 30/06/2020.</p> <p>B. Trade Licence No. A 648379, expire on 01st Sept. 2019</p> <p>State, national and international laws are ratified. Ref.: Ordinance file. Sighted and verified.</p>
2	The management shall list all laws applicable to their operations in a legal requirement register.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>List of relevant laws, regulation and applicable laws available in the Legal Requirement register and are readily available for reference. There are evidence and ongoing effort to comply. Sighted and verified.</p>
3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>All legal requirements are up to date and of the latest amendments and changes. Internal mechanism to monitor new version and to identify changes or amendment in regulation. Ref.:</p> <p>A. Organization Chart. Fig.2 SILAM/MSPO/SIA/04/19-01 Appointment letter to Ms. NOOREEN BINTI BUJANG. SILAM/MSPO/APL/2019 dated 01st January 2019. B. Sighted and verified.</p>
4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>A. Ability to demonstrate compliance with relevant law during site inspection, visit and interview. B. Organization Chart Fig.2 SILAM/MSPO/SIA/04/19-01</p> <p>C. Appointment letter to Mr, Wong Ling Tung SILAM/MSPO/APL/I/2019 dated 01st January 2019 (MSPO & OSHA Coordinator).</p> <p>D. Appointment letter to Ms. NOOREEN BINTI BUJANG. (Admin Clerk). SILAM/MSPO/APL/2019 dated 01st January 2019.</p> <p>E. Minimum pay requirement met. Payslip produced as evidence seen and verified.</p> <p>All evidence sighted and verified.</p>



Criterion 2: Land use rights			
1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A. 233.56ha. Total area of oil palm plantation. B. 152.369ha. Native Customary Rights land C. 82ha. Mix Zone and title land D. All land are planted with Oil Palm breeds: i. YAM GAMBEA ii. GOLDEN HOPE 500 E. Tenancy agreement made on 31 st Dec. 2003, commence on 01 st January 2004 and will expires on 31 st December 2026.
2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A. 233.56ha. planted with oil palm. B. 152.369 NCR. C. 82ha. Mix zone. D. 119.200ha rented land. E. 114.360ha own land. F. Land title and tenancy agreement sighted and verified.
3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Visual inspection of adjacent boundary markers visibly maintained and mark as per company SOP. Sighted and verified. GPS coordinate is correct and verified. Boundary map available. Site inspection done.
4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A. No history of land dispute. B. Native Customary Rights land. C. Legal documents and agreement between parties involve are Tenancy agreement made with 36 land lord on 31 st December 2003, commence on 01 st January 2004 and will expires on 31 st December 2026, sighted and verified. Documents and evidence that compensation was paid as per agreement made dated 30 th June 2016. Payment voucher sighted and verified. Stakeholders met and interviewed.
Criterion 3: Customary rights			
1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The company have demonstrated that all rights are understood by both parties and are not being threatened or reduced. Affected parties and stakeholders interviewed. Licence, agreements and negotiation between affected parties sighted and verified.

2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Official map recognizing native customary rights from land and survey available. Noted and verified.
3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	All negotiation and FPIC are recorded and copies of negotiated agreements are available. Sighted and verified. Affected parties interviewed.

Principle 4:**Social Responsibility, Health, Safety and Employment Condition****Criterion 1: Social impact assessment (SIA)**

Indicator	Requirement	Compliance	Findings
1	Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>SIA report sighted and verified.</p> <p>Interview with management representative confirm the process of SIA took into consideration of internal and external stakeholders. Attendance list available.</p> <p>Timetable with responsibilities for mitigating the negative impact is reviewed and updated annually.</p> <p>Action taken recorded in response to the recommendation from the assessment result/report and feedback from local community is updated in the mitigation plan.</p> <p>Refer: SILAM/MSPO/SIA/04/19-01 Document sighted and verified.</p>

Criterion 2: Complaints and grievances

1	A system for dealing with complaints and grievances shall be established and documented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Person in-charge, Mr. Wong Ling Tung. Ref: SILAM/MSPO/APL/I2019 dated 01st January 2019.</p> <p>Complaint and grievance procedure/system available Ref: SILAM/MSPO-4.2. Document sighted and verified.</p>
2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>To date no complaint or grievance have been made.</p> <p>Ref: SI/SOP19-02 dated 02/05/2019 Document sighted and verified.</p>
3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Form available sighted and verified.</p> <p>No complaint and grievances recorded so far.</p> <p>Ref: SI/SOP19-02 dated 02/05/2019 Document sighted and verified.</p>
4	Employees and the surrounding communities should be made aware that complaints or suggestions can be	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Meeting on awareness on complaint and grievances conducted with all stakeholders to introduce the system.</p>

	made any time.		Ref: SILAM/GC/02/19-01 dated 28 th February 2019. Document sighted and verified.
5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No complain or grievance registered to date. Management to utilize, register all complain/grievance and make full use of system.
Criterion 3: Commitment to contribute to local sustainable development			
1	Growers should contribute to local development in consultation with the local communities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	CSR policies and list of stakeholders are available and implemented. Contribution made to the surrounding communities as stated in its' policy. Ref: SILAM/PLC/04/19-03 dated 01 st April 2019.6.27 Evidence in photos seen and verified.
Criterion 4: Employees safety and health			
1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Occupational safety and health policy available. Policy communicated to stakeholders by means of meeting, training and signboard. Document sighted and verify.
2	The occupational safety and health plan shall cover the following:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	
A.	A safety and health policy, which is communicated and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Policy communicated and implemented as documented in SILAM/MSPO-4.4 dated 04 th January 2019.
B.	b) The risks of all operations shall be assessed and documented	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Hazard Identification Risk Assessment and Risk Control on all operation/activities carried out and identified. Ref: SILAM/MSPO4-4 dated 01 st May 2019. Document seen and verified.
C.	An awareness and training programme which includes the following requirements for employees exposed to pesticides:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Training programme and standard training procedures available. Ref: SILAM/MSPO-4.6 and SILAM /MSPO/TRN/04/19-03 dated 20 th April 2019. Document seen and verified.
C.1	All employees involved shall be adequately trained on safe working practices; and	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Awareness and training programme available and training done as schedule. Ref: SILAM/MSPO/TRN/04/19-03 dated 20 th April 2019.
C.2	All precautions attached to products shall be properly observed and applied.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Warning sign posted to create awareness. Workers have sufficient knowledge and understanding of safety signage and procedures. Person in charge have sufficient knowledge in safety and health. Verified upon site inspection.
D.	The management shall provide the appropriate personal protective	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Adequate and appropriate PPE issued to staff free of charge as identified in HIRARC



	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).	<input type="checkbox"/> OFI	and SDS product label and as required by regulation. Ref: SILAM/MSPO-4.4 SILAM/PPE/01/19 dated 01 st Jan 2019. Site visit, documents and communication seen and verified.,
E.	The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Standard Operating Procedure established to ensure proper safe handling and storage of chemicals in accordance with occupation safety and health Ref: SILAM/SOP/04/19-03 dated 01 st Jan 2019 SILAM/SOP/04/19-04 dated 01 st Jan 2019 SILAM/SOP/04/19-08 dated 01 st Jan 2019 CHRA cover all chemicals assessment in use Conduct CHRA medical surveillance recommended.
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.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Personnel appointed have sufficient knowledge for workers safety and health, However, further OSH training required.
G.	The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	OSH committee meeting conducted as required by regulation all members are present representing all categories of operation. Minutes, agendas, attendance of meeting available. Ref: SILAM/OSHA/MNT04/19-02 Sighted and verified.
H.	Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Document exist and transmitted to all level of employees via training, posters and signage. Sighted and verified.
I.	Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	First aid kit available in work site, however there are no adequately train person in first aid available. All incident will be referred to nearby clinic at about 20km away. Properly train and qualified personnel needed.
J.	Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	All activity records available; no occurrence of accident recorded. To be review and update every 3 months or quarterly.
Criterion 5: Employment conditions			
1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Good social practice policy established Based on recognized national human right and sign by top management and are communicate to the employees by displaying it on noticeboards. Ref:

			SILAM/HR/EMP/03/19 dated 01 st Mar. 2019. SILAM/HR/IN/01/19 dated 01 st Jan. 2019. Sighted and verified.
2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, color, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Equal opportunity statement develop and sign by top management and are communicated and displayed on noticeboard. Best management practices meeting are also conducted to discuss and create transparencies in management and provide equal opportunity.</p> <p>Ref: EQUAL OOPORTUNITY POLICY. SILAM/PLC/04/19-01 dated 01st April 2019.</p> <p>Sighted and verified.</p>
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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Management have ensure that all wages are compliance to Minimum Wage Order in accordance to minimum wage order (Amendment 2018) dated 28th Nov 2018 P.U.(A) 308 . management Ref: SILAM/MIN/WG/19-01 dated 01st April 2019</p> <p>Evidence demonstrate in payslip.</p> <p>Sighted and verified.</p>
4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>A proper agreement between contractors and the management are made and understood by both parties.</p> <p>Ref: SILAM/CTR/AGR/19-01 dated 01st Jan. 2019 TIANG YONG ANN CONTRACTOR Tax invoice No. 0001645 dated May 2019</p>
5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>An accurate account of all employees are available including full details.</p> <p>Ref: SILAM/MSPO/STKHDR/19-01 dated 22nd Jan 2019.</p> <p>Document Sighted and verified.</p>
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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Copies of employment contract available and sign by both employer and employee.</p> <p>Ref: SILAM/HR/IN/01/19 dated 01st Jan 2019 SILAM/HR/EMP/03/19 and 01st Mar. 2019 Document Sighted and verified.</p>
7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>System established in the form of individual's working record. Time recording cards are sighted and verified.</p>
8	The working hours and breaks of each individual employee as indicated in the	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Working hours and break of each individual employees are in compliance</p>

	time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	<input type="checkbox"/> OFI	with the legal regulation. Document Sighted and verified.
9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Existing wages and overtime payment meets legal requirement and recorded in payslip. Sighted and verified.
10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No social benefit offered other than free medical care for incident occurrence whilst at work. Bonus for individual cultural and religious occasion. Document sighted and verified.
11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	On-site living quarters are habitable with basic amenities and facilities in compliance with the workers minimum housing standard. Site visit done and verified.
12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No incident of sexual harassment and violence reported. Policy of sexual harassment and violence prevention are implemented by posters on noticeboard and talks. System for statement of complaint established and implemented. Interview of workers and sight inspection done for verification done. Refer: SILAM/PLC/04/19-04 dated 01 st April 2019. Seen and verified.
13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The management are committed and allows the freedom to form trade union and have their own representatives as stated in the management GOOD SOCIAL PRACTICE POLICY. Ref: SILAM/PLC/04/19-02 (1) dated 01 st April 2019. Document sighted and verified.
14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No history of children or young person being employed by the management. Field audit shows no present of children or



	national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.		young person being employed. Child labour policy available and implemented. Ref: GOOD SOCIAL PRACTICE POLICY. Ref: SILAM/PLC/04/19-02 (1) dated 01 st April 2019. Document sighted and verified.
Criterion 6: Training and competency			
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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Training programme developed for all employees are available, sighted and verified. Evidence in the form of photos available. Ref: SILAM/MSPO-4.6 SILAM/MSPO/TRN/04/19 dated 21 st April 2019
2	Training needs of individual employees shall be identified prior to the planning and implementation of the training program in order to provide the specific skill and competency required to all employees based on their job description.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Training need analysis are documented based on their job description. Document and record /evidence of implementation Refer: SILAM/TRN/ALS/19-01 dated 01 st January 2019.
3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Continuous training program planned are available. Planned training programme are conducted and evidence in photos, attendance list are available Ref: SILAM/TRN/SCDL/19-01 dated 01 st Jan 2019.

Principle 5:	Environment, natural resources, biodiversity and ecosystem services
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Criterion 1: Environmental management plan

Indicator	Requirement	Compliance	Findings
1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed relevant documents in the folder ref. SILAM 111/19 MSPO/Environment, Natural resources, Biodiversity and Eco System/File no 5: 1. Aspect and impact analysis and mitigation plan in file Ref. SILAM/MSPO/RIP.PLAN/19-01 2. Environmental Policy viewed in file Ref. SILAM/PLC/04/19-08 3. Riparian Zones Restoration Plan viewed in file Ref. SILAM/MSPO/RIP/PLN/04/19-01 4. Managing Soil Pollution SI-MSPO-EMS-

			<p>19-002</p> <p>5. Managing Air Pollution SI-MSPO-EMS-19-001</p> <p>6. Managing Water Pollution SI-MSPO-EMS-19-03</p>
2.	The environmental management plan shall cover the following:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	
A.	An environmental policy and objectives	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The environmental policy was established on 01/04/2019 approved and signed by the managing director. The policy and its objective can be viewed in the file Ref. SILAM/PLC/04/19-08.
B.	The aspects and impacts analysis of all operations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Operational aspects and impacts analysis adequately documented in the file Ref. SILAM/MSPO/RIP.PLAN/04/19-01.
3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	<p>Environmental improvement plan can be viewed in following documents:</p> <ol style="list-style-type: none"> 1) Riparian Zones Restoration Plan viewed in file Ref. SILAM/MSPO/RIP/PLN/04/19-01 2) Managing Soil Pollution SI-MSPO-EMS-19-002 3) Managing Air Pollution SI-MSPO-EMS-19-001 4) Managing Water Pollution SI-MSPO-EMS-19-03
4	A programme to promote the positive impacts should be included in the continual improvement plan.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	In the sub folder Ref. SILAM/MSPO-1.4/Continual Improvement, sighted was the file titled Environmental Plan 2019.
5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Executive Staff & Workers Annual Training Programme Schedule Year 2019 - 2020 listed the following training courses for the staffs and employees:</p> <ol style="list-style-type: none"> 1. Environmental policy 2. Environmental awareness training/programme 3. Domestic waste management 4. Scheduled waste handling and storage guidance 5. No open burning 6. Riparian buffer protection 7. HCV awareness 8. 3R (Reuse, Reduce, Recycle)

6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The first environmental meeting was documented on 28/02/2019 and the second meeting was on 06/04/2019. The next meeting is schedule on 29/06/2019. agendas and minutes of meetings were viewed in the folder Ref. SILAM/MSPO-6.1/Best management practice.
Criterion 2: Efficiency of energy use and use of renewable energy			
1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Syarikat Ilam just established its fuel consumption monitoring system on month of January, 2019. It will be calculated and recorded monthly against the projected monthly fuel budget which is estimated 2000 liters per month.</p> <p>The information can be obtained from the sub folder Ref. SILAM/MSPO-5.2/Efficient Energy Used.</p> <p>No electricity bill collected as on site buildings are using solar panels.</p>
2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The record showed that from January to May, 2019 the fuel usage for those 5 months of operation is estimated to be 10,435 liters costing around Rm 22,748.00.
3	The use of renewable energy should be applied where possible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Sighted on site was a solar panel at the workers' quarter for electricity.
Criterion 3: Waste management and disposal			
1	waste products and sources of pollution shall be identified and documented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Identification of waste products and sources of pollution are properly documented in the file Ref. SILAM/WI/ENV/05.
2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:		
A	Identifying and monitoring sources of waste and pollution	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Identification of waste products and sources of pollution are properly documented in the file Ref. SILAM/WI/ENV/05. Also, schedule waste management and procedures were incorporated in the file Ref. SILAM/EAIA/19-01 and SILAM/PRC/WST/19-01.</p> <p>Additionally, sighted on site was a logbook titled "Disposal of Domestic Waste Record" that stated the wastes</p>

			were to brought out to the Sarikei Municipal Council dumping site at Jalan Kin San.
B.	Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The standard operating procedure for on site waste management in the file Ref. SILAM/PRC/WST/19-0,1 explained to where the wastes went from the plantation.
3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The standard operating procedures for chemical handling and mixing was incorporated in file Ref. SILAM/SOP/04/19-03, meanwhile, SOP for waste storage and disposal was viewed in file Ref. SILAM/PRC/WST/19-01.
4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	On site audit visit didn't see any pesticide containers as those containers had been carried out from the plantation. According to the MSPO coordinator officer, the containers have been washed accordingly and punctured before been sent to G-Planters Sdn Bhd to be recycled.
5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	On site Disposal of Domestic Waste Record cited the wastes were being collected by Syarikat Ilam lorry on every Wednesday and Friday to be thrown to a licence dump site at Jalan Kin San about 7 km from the plantation.
Criterion 4: Reduction of pollution and emission			
1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Managing and assessing polluting activities were incorporated in the files: <ol style="list-style-type: none"> 1. Managing Soil Pollution SI-MSPO-EMS-19-002 2. Managing Air Pollution SI-MSPO-EMS-19-001 3. Managing Water Pollution SI-MSPO-EMS-19-03
2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Action plans were also viewed in the same files as mentioned above. The methods of monitoring and implementations of the plans with the timeline were sighted in the file Ref. SILAM/MSPO/RIP.PLAN/04/19-01.
Criterion 5: Natural water resources			
1.	The management shall establish a water management plan to maintain the	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Water management plans approved and signed by the estate manager on



	quality and availability of natural water resources (surface and ground water). The water management plan may include:	<input type="checkbox"/> OFI	05/03/2019 can be viewed in file: 1) Managing Water Pollution SI-MSPO-EMS-19-003 2) Water Quality Control SILAM/WI/ENV/03 3) Rain Water Management Programme 2019 SILAM/WTR/MNGT/19-02 Regular water quality monitoring to be implemented using Water Quality Monitoring Kit from Acorn Naturalist as sighted in file Ref. SILAM/WTR/MTR/19-01.
A	Assessment of water usage and sources of supply.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Records from past water bills indicated the usage to be around 121,000 to 300,000 litres of treated water. The water supply mostly came from treated water supply from Sarikei Jabatan Bekalan Air Luar Bandar. However, there is no proper records of water usage for the plantation.
B	Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There were man made drains interconnecting along the plantation roads that can act as natural filters before going to the streams.
C	Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Water supply is connected from a meter situated 500 meter from the plantation, in which a series of interconnected HDPE pipes with taps. Water from the 200 liter reservoir also connect to the house using HDPE pipes and taps.
D	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	There is a small natural stream pass through the plantation with a Riparian Zone signage erected at that area as verified through audit site visit. However, small trees along the banks had been cut off by the workers. Trees and vegetation along the banks should be left undisturbed for natural growth.
E	Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	There was Riparian Zone Restoration Plan documented, approved and signed by the Estate Manager on 15/05/2019.
F	Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There was no bore well sighted or being used at the plantation.
2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There were no bunds, weirs and dams sighted on site and documented.

3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Water harvesting was seen practiced on site with a single 200 liter capacity water reservoir been installed behind the workers quarter, to collect water for washing.
Criterion 6: Status of rare, threatened, or endangered species and high biodiversity value area			
1.	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:		
A	Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	According to the Wildlife Inventory logbook and conversations, there were a few rare animals sighted by the workers such as pangolin and giant squirrels <i>ratufa affinis</i> .
B	Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The plantation is surrounded by considerable secondary forests that might have become a habitat for some rare, threatened or endangered species. SI shows evidence of continuous monitoring of wildlife in the estate. Riparian zones are also created to conserve habitats.
2.	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:		
A	Ensuring that any legal requirements relating to the protection of the species are met.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	10 hectares of secondary forest located inside the plantation is designated wildlife conservation areas. Posters Sarawak endangered species can be found at the site boards.
B	Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	A few no hunting and private properties signage had been erected on site to encouraged outsiders to illegally hunting and fishing at the estate.
3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Riparian Zone restoration plan viewed in the file Ref. SILAM/MSPO/RIP/PLN/04/19-01 to be used as a guideline to comply with indicator 1.
Criterion 7: Zero burning practices			
1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	The company committed to the Zero Burning Policy documented in the file Ref. SILAM/PLC/04/09-06 which was established on 01/04/2019, approved and signed by the managing director. Land preparation was done mostly using machines such as excavators when the company open up the land as verified through the conversation with the estate

			manager. No burned tree stump was sighted on site.
2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	There were no disease crops recorded and as verified by auditors conversation with the MSPO coordinator officer.
3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	No open burning or any charcoal residue was sighted even near the workers quarter during on site audit visit.
4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Some felled oil palm trees sighted on site were chopped and left to be rotted as organic fertilizer to the soil.

Principle 6:	Best Practices
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Criterion 1: Site management			
Indicator	Requirement	Compliance	Findings
1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	<p>Verified & noted. Best Management Practices is documented vide doc SILAM/MSPO/6.1 dated 04 04 19</p> <p>SOP for site management are documented vide doc SILAM/BMP/04/19/01-07 dated 04 04 19. As follows:</p> <ol style="list-style-type: none"> 1. Trunk Weeding 2. Soil Sampling 3. Selective Weeding 4. Road Maintenance 5. Rat control 6. Manuring 7. Harvesting 8. Delivery 9. Drainage construction & maintenance 10. Disease control 11. Occupational Health & Safety 12. Meracon <p>Verified adequate no of SOP to meet implementation & MSPO requirement.</p>
2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Evidenced during field Audit that where there are slight slopes cover crops are planted & palm fronds are used to prevent erosion and siltation. Drainage system in the estate is well planned & maintained.



3	A visual identification or reference system shall be established for each field.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Field Audit verified following signage have been put up: <ul style="list-style-type: none"> Riparian & Buffer zones, Boundary markers Block markers (block no, size, no of palm trees) 																											
Criterion 2: Economic and financial viability plan																														
1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Business management plan was documented vide SILAM/MSPO/MP/6 dated 23 03 2019. The document contents: <ul style="list-style-type: none"> Profit & loss (actual & projection 2019/2020) FFB production (actual & projection) OPEX/CAPEX Contents are adequate to demonstrate attention to economic & financial liability. Verified compliance to MSPO requirement																											
2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SI palm trees are aged between 10 to 16 years old. There is no replanting program. The estate is fully planted with 10ha being reserved as riparian zone and propagation of natural vegetation.																											
3	The business or management plan may contain:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI																												
A	Attention to quality of planting materials and FFB.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified planted species are: <ul style="list-style-type: none"> Golden Hope 500 Field audit on harvesting confirmed at random check production of FFB from these species is weighed between 30 to 32 kg per bunch (which is above average size). Biggest bunch can be up to 60 kg.																											
B	Crop projection: site yield potential, age profile, FFB yield trends.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Verified in the Business Plan the following Projection/actual figures: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Items</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Planted Area</td> <td>220ha</td> <td>220ha</td> </tr> <tr> <td>Projected YPH</td> <td>28mt/ha</td> <td>29mt</td> </tr> <tr> <td>Age profile</td> <td>10-16 yrs</td> <td>11-17 yrs</td> </tr> <tr> <td>FFB production</td> <td>5878mt</td> <td>6465mt</td> </tr> <tr> <td></td> <td>2017</td> <td>2018</td> </tr> <tr> <td>FFB Production</td> <td>5736mt</td> <td>5937mt</td> </tr> <tr> <td>Yield per ha</td> <td>26mt/ha</td> <td>27mt</td> </tr> <tr> <td>No of trees</td> <td>29,085</td> <td></td> </tr> </tbody> </table>	Items	2019	2020	Planted Area	220ha	220ha	Projected YPH	28mt/ha	29mt	Age profile	10-16 yrs	11-17 yrs	FFB production	5878mt	6465mt		2017	2018	FFB Production	5736mt	5937mt	Yield per ha	26mt/ha	27mt	No of trees	29,085	
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C	Cost of production: cost per ton of FFB.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Projection for cost per ton of FFB; as noted in the business plan <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Item</th> <th>2019/2020 (rm)/mt</th> </tr> </thead> <tbody> <tr> <td>Harvesting</td> <td>50.00</td> </tr> <tr> <td>Loading</td> <td>Nil</td> </tr> <tr> <td>Transport etc.</td> <td>44.50</td> </tr> <tr> <td>Total</td> <td>94.50</td> </tr> </tbody> </table>	Item	2019/2020 (rm)/mt	Harvesting	50.00	Loading	Nil	Transport etc.	44.50	Total	94.50																	
Item	2019/2020 (rm)/mt																													
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Transport etc.	44.50																													
Total	94.50																													

D	Price forecast	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Price forecast for FFB 2019/2020; noted in the business plan to be RM350 per mt
E	Financial indicators: cost benefit, discounted cash flow, return on investment.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	All these are contents of the Budget/Financial projection/Profit & Loss Account. Forecast Profit/loss (before HQ cost) <ul style="list-style-type: none"> • 2019: RM340,402 • 2020: RM280,770
4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Syarikat Management meeting is held quarterly in a year to review company performance. Estate Management meeting is held at least once a month to discuss site management plan implementation. Morning muster conducted every Monday. Monthly meeting records (Mar, April, May) verify Syarikat Ilam estate staff meet monthly
Criterion 3: Transparent and fair price dealing			
1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	SI documented the pricing mechanism vide dated 23 03 19. Service rates are paid as follows (all rates in RM): <ul style="list-style-type: none"> • Harvesting@50.00/mt • Transport etc@44.50/mt • Membaja@0.06/palm • Frond pruning@0.40/per tree • weed spraying@25.00/per Ha • driving excavator@12.00/hour
2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Viewed and verified that where contract services are commissioned Syarikat Ilam enter into a legally documented contract/agreement.
Criterion 4: Contractor			
1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Noted and verified that Syarikat Ilam only engaged contractor services to transport FFB from Estate to Mills/Collection Center. Noted in a letter dated 07 03 19 to contractor (Tiang Yong Ann signed on 15 03 19); SI informed contractor officially on MSPO adoption and necessary compliance to requirements.
2	The management shall provide evidence of agreed contracts with the contractor.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Verified and viewed contract of appointment for transporter (Tiang Yong Ann) vide doc SILAM/AGR/TRST/01/19-01 dated 01 01 19. Terms & condition are noted as legally enforceable with both parties having protection of exit clause (Page 1 of Agreement)
3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Syarikat Ilam extend full cooperation to MSPO auditors to verify assessments through physical inspection



4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	Control point – the process 1. At harvesting site – estate supervisor will record and inspect load quantity 2. Security check at estate office - log book to be filled by contractor 3. At Mill – transporter/mill staff record actual FFB – weighbridge ticket Traceability procedure is also another related control measure used. Transporters contract is reviewed and renewed annually.
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Principle 7:	Development of New Planting
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Syarikat Ilam has no new planting or replanting program as all certified areas are all planted.

7.3 SUMMARY OF FINDINGS

Principle 1:		Management Commitment and Responsibility	
Criterion 2: Internal audit			
Indicator	Requirement	Compliance	Findings
1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Internal Audit is documented vide doc SILAM/MSPO/1.2 Noted & verified SI Internal Audit for 2019 was conducted on 05 03 19. Objective: GAP analysis assessment to determine the readiness & preparation of Si for MSPO Certification under MSPO 2530-3:2013. Assessment conducted by Mohd Izzul; Principle 1 to 6; However, Corrective Action report (CAR) was not raised and findings were not closed out.
2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Noted and verified Internal Audit Procedure (rev 01) is documented vide doc SI/MSPO/SOP/003 dated 02 03 19. IA results are well documented and contained action & documentation required to determine root cause/analysis, corrective actions & justification. However, Corrective Action report (CAR) was not raised and findings were not closed out.

Principle 4:		Social Responsibility, Health, Safety and Employment Condition	
Indicator	Requirement	Compliance	Findings
Criterion 4: Employees safety and health			
2	The occupational safety and health plan shall cover the following:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> OFI	
K.	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.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Personnel appointed have sufficient knowledge for workers safety and health, However, further OSH training required.
L.	Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	First aid kit available in work site, however there are no adequately train person in first aid available. All incident will be referred to nearby clinic at about 20km away. Properly train and qualified personnel needed.



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

Indicator	Requirement	Compliance	Findings
Criterion 5: Natural water resources			
A	Assessment of water usage and sources of supply.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	Records from past water bills indicated the usage to be around 121,000 to 300,000 litres of treated water. The water supply mostly came from treated water supply from Sarikei Jabatan Bekalan Air Luar Bandar. However, there is proper records of water usage for the plantation.
D	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> OFI	There is a small natural stream pass through the plantation with a Riparian Zone signage erected at that area as verified through audit site visit. However, small trees along the banks had been cut off by the workers. Trees and vegetation along the banks should be left undisturbed for natural growth.

7.4 LEAD AUDITOR REMARKS: 29 06 2019: [end day of Stage 2 Assessment]


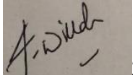
No of "NO":	Non-Conformance	Nil
No of "OFI":	Opportunity for Improvement	5

Report Summary & Recommendations

SYARIKAT ILAM preparation for Certification improved tremendously from Stage 1 to Stage 2. This is especially evident during the field audits whereby interviews were held with stakeholders. Staff and stakeholders interviewed during Stage 2 were noted to have better understanding of MSPO principles and requirements.

Overall, although SYKT ILAM had opted to get certified under MSPO MS2530-3:2013 only recently, their investment & commitment to achieve compliance to all Principles & criteria is commendable. SYKT ILAM had demonstrated that it had generally satisfied the requirement of certification under this MSPO Standards.

It is therefore recommended that subject to closure of all OFI and approval of the Final Audit Report, Norma Sumber Sdn Bhd be certified under MSPO MS2530-3:2013.

Lead Auditor:	Acknowledged by Auditee	Name	Job Title
Wilfred S Landong	Syarikat Ilam	Wong Ling Tung	Manager
Signature/Date:	Signature/Date:		
 29 06 2019	 29 06 2019		



7.5 CORRECTIVE ACTION REPORTS [CAR]

1. CORRECTIVE ACTION REPORT (NC/OFI)

No. 1 of 5					Date: 29 06 19				
1 FINDINGS					To be completed by Lead Auditor				
Standards		MSPO MS2530-3:2013			Reference			SI/AU/ST2/06/19	
Process, Area		Principle	1	Criterion:	2	Indicator	1	Internal Audit	
Internal Audit is documented vide doc SILAM/MSPO/1.2 Noted & verified SI Internal Audit for 2019 was conducted on 05 03 19. Objective: GAP analysis assessment to determine the readiness & preparation of SI for MSPO Certification under MSPO 2530-3:2013. Assessment conducted by Mohd Izzul; Principle 1 to 6; However, Corrective Action report (CAR) was not raised and findings were not closed out.									
2 CLASSIFICATION					To be completed by Lead Auditor				
Major Non-conformity		<input type="checkbox"/>		Minor nonconformity		<input type="checkbox"/>		Opportunity for Improvement (OFI)	
		<input type="checkbox"/>				<input type="checkbox"/>		<input checked="" type="checkbox"/>	
Type of follow up		<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)							
Date		29 06 19		Remarks: (if any)					
3 CONFIRMATION					To be completed by Company				
Finding + classification is correct					<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		
Comments: (if any)									

4 ROOT CAUSE(S) of NC / OFI					To be completed by Company				
Remarks: Not familiar with Internal Audit Procedure at that time									

5 CORRECTIVE ACTIONS TAKEN					To be completed by Company				
Remarks: CAR raised and findings closed out on 20 06 2019. Enclosed with this submission evidence of closure.									
Date		22 08 2019		Name/Job of Management Rep			Wong Ling Tung Manager		Signature:

6 CLOSURE of NC / OFI					To be completed by Lead Auditor				
Remarks / Evidence: Verified received documents and evidence. This CAR can be closed out									
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable									
					<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		
					Confirmed by: Wilfred S Landong Lead Auditor				
					Date: 25 08 19				



2. CORRECTIVE ACTION REPORT (NC/OFI)

No. 2 of 5						Date: 29 06 19	
1 FINDINGS				To be completed by Lead Auditor			
Standards		MSPO MS2530-3:2013		Reference		SI/AU/ST2/06/19	
Process, Area		Principle	1	Criterion:	2	Indicator	2 Internal Audit
Noted and verified Internal Audit Procedure (rev 01) is documented vide doc SI/MSPO/SOP/003 dated 02 03 19. IA results are well documented and contained action & documentation required to determine root cause/analysis, corrective actions & justification. However, Corrective Action report (CAR) was not raised and findings were not closed out.							
2 CLASSIFICATION				To be completed by Lead Auditor			
Major Non-conformity		<input type="checkbox"/>	Minor nonconformity	<input type="checkbox"/>	Opportunity for Improvement (OFI)		<input checked="" type="checkbox"/>
Type of follow up		<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)					
Date	29 06 19		Remarks: (if any)				
3 CONFIRMATION				To be completed by Company			
Finding + classification is correct				<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
Comments: (if any)							
4 ROOT CAUSE(S) of NC / OFI				To be completed by Company			
Remarks: Not familiar with Internal Audit Procedure at that time							
5 CORRECTIVE ACTIONS TAKEN				To be completed by Company			
Remarks: CAR raised and findings closed out on 20 06 2019. Enclosed with this submission evidence of closure							
Date	22 08 2019		Name/Job of Management Rep		Wong Ling Tung Manager		Signature:
6 CLOSURE of NC / OFI				To be completed by Lead Auditor			
Remarks / Evidence: Verified received documents and evidence on 21 08 19. This CAR can be closed out.							
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable							
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
				Confirmed by: Wilfred S Landong Lead Auditor		 Date: 25 08 19	



3. CORRECTIVE ACTION REPORT (NC/OFI)

No. 3 of 5						Date: 29 06 19	
1 FINDINGS				To be completed by Lead Auditor			
Standards		MSPO MS2530-3:2013		Reference		SI/AU/ST2/06/19	
Process, Area		Principle	4	Criterion:	4	Indicator	2 Employee safety & health
<p>1. Personnel appointed have sufficient knowledge for workers safety and health; However further training is required.</p> <p>2. First aid kit available in work site; however adequately train person in first aid is not available. All incident will be referred to nearby clinic at about 20km away. Properly train and qualified personnel needed.</p>							
2 CLASSIFICATION				To be completed by Lead Auditor			
Major Non-conformity		<input type="checkbox"/>	Minor nonconformity		<input type="checkbox"/>	Opportunity for Improvement (OFI) <input checked="" type="checkbox"/>	
Type of follow up		<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)					
Date	29 06 19		Remarks: (if any)				
3 CONFIRMATION				To be completed by Company			
Finding + classification is correct				<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
Comments: (if any)							

4 ROOT CAUSE(S) of NC / OFI				To be completed by Company			
Remarks:							
Waiting for confirmation of First Aid Training schedule from Trainer [Red Cross Society] during Audit time							

5 CORRECTIVE ACTIONS TAKEN				To be completed by Company			
Remarks:							
Mr. Wong Ling Tung attended First Aid Training on 15 08 2019. Evidence enclosed							
Date	22 08 2019	Name/Job of Management Rep		Wong Ling Tung Manager		Signature: 	

6 CLOSURE of NC / OFI				To be completed by Lead Auditor			
Remarks / Evidence:							
Noted and verified the confirmation of First Aid Training of Mr Wong. This CAR is considered closed out							
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable							
				<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
				Confirmed by: Wilfred S Landong Lead Auditor		 Date: 25 08 19	



4. CORRECTIVE ACTION REPORT (NC/OFI)

No. 4 of 5						Date: 29 06 19	
1 FINDINGS				To be completed by Lead Auditor			
Standards		MSPO MS2530-3:2013		Reference		SI/AU/ST2/06/19	
Process, Area		Principle	4	Criterion:	4	Indicator	2
						Employee safety & health	
Records from past water bills indicated the usage to be around 121,000 to 300,000 liters of treated water. The water supply mostly came from treated water supply from Sarikei Jabatan Bekalan Air Luar Bandar. However, there are no proper records of water usage for the plantation during Audit time							
2 CLASSIFICATION				To be completed by Lead Auditor			
Major Non-conformity		<input type="checkbox"/>	Minor nonconformity		<input type="checkbox"/>	Opportunity for Improvement (OFI)	
						<input checked="" type="checkbox"/>	
Type of follow up		<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)					
Date		29 06 19	Remarks: (if any)				
3 CONFIRMATION				To be completed by Company			
Finding + classification is correct				<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
Comments: (if any)							
4 ROOT CAUSE(S) of NC / OFI				To be completed by Company			
Remarks: Not familiar with requirements of MSPO at that time							
5 CORRECTIVE ACTIONS TAKEN				To be completed by Company			
Remarks: Record of monthly water usage is now recorded in a logbook. Evidence enclosed in this submission							
Date		22 08 2019	Name/Job of Management Rep		Wong Ling Tung Manager	Signature:	
6 CLOSURE of NC / OFI				To be completed by Lead Auditor			
Remarks / Evidence: Verified and noted evidence submitted. This CAR is considered closed out							
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable							
				<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
				Confirmed by: Wilfred S Landong Lead Auditor		 Date: 25 08 19	



5. CORRECTIVE ACTION REPORT (NC/OFI)

No. 1 of						Date: 29 06 19					
1 FINDINGS						To be completed by Lead Auditor					
Standards		MSPO MS2530-3:2013				Reference			SI/AU/ST2/06/19		
Process, Area		Principle	5	Criterion:	5	Indicator	1	Natural Water Resources			
There is a small natural stream pass through the plantation with a Riparian Zone signage erected at that area as verified through audit site visit. However, small trees along the banks had been cut off by the workers. Trees and vegetation along the banks should be left undisturbed for natural growth.											
2 CLASSIFICATION						To be completed by Lead Auditor					
Major Non-conformity		<input type="checkbox"/>	Minor nonconformity		<input type="checkbox"/>	Opportunity for Improvement (OFI)			<input checked="" type="checkbox"/>		
Type of follow up		<input checked="" type="checkbox"/> Document review (off-site audit and may be charged) <input type="checkbox"/> On site audit (effort required will be charged)									
Date	29 06 19		Remarks: (if any)								
3 CONFIRMATION						To be completed by Company					
Finding + classification is correct						<input checked="" type="checkbox"/> Yes			<input type="checkbox"/> No		
Comments: (if any)											

4 ROOT CAUSE(S) of NC / OFI						To be completed by Company					
Remarks: The trees were cleared to allow bigger passage of water courses. At that time, we were not aware of MSPO requirements											

5 CORRECTIVE ACTIONS TAKEN						To be completed by Company					
Remarks: The vegetation had been rehabilitated by planting of beneficial plants. Evidence of re-growth of vegetation enclosed with this submission											

Date		22 08 2019		Name/Job of Management Rep			Wong Ling Tung Manager			Signature: 		
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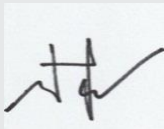
6 CLOSURE of NC / OFI						To be completed by Lead Auditor					
Remarks / Evidence: Evidence of rehabilitation measures noted and verified. This CAR can be closed out											
Corrective Actions taken to close this NC or OFI has been implemented and found acceptable											
						<input checked="" type="checkbox"/> Yes			<input type="checkbox"/> No		
						Confirmed by: Wilfred S Landong Lead Auditor			 Date: 25 08 19		

8.0. LEAD AUDITOR CONCLUSION & RECOMMENDATION

Based on the Findings/Action taken by Auditee/Closures above, Syarikat ILAM had been able to demonstrate generally its compliance to and with requirements of the MSPO MS2530-3:2013 Standard for Oil Palm Plantations & Organized Smallholders. Therefore, it is recommended that the Initial Certification of SYARIKAT ILAM be approved.

Signed for & On Behalf of

BQAS Certification (M) Sdn Bhd



Wilfred S Landong

LEAD AUDITOR

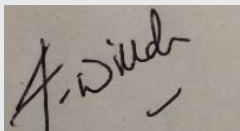
Dated: 25 09 2019

9. ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY & CONFIRMATION OF AUDIT FINDINGS

This is to acknowledge and confirm the Audit Visits/Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.

Signed for & On Behalf of,

SYARIKAT ILAM



Wong Ling Tung

DIRECTOR

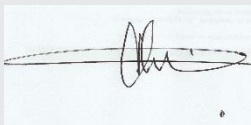
Dated: 29 09 2019

10. CERTIFICATION RECOMMENDATION / DECISION [CERTIFIER]

I/the undersigned, being the Certifier, confirm that I have examined thoroughly all contents of the Report in its' entirety, including the incorporation of Peer Review comments/report and other related reports [where applicable and relevant].

I confirm that, to the best of my knowledge the information and conclusions included in this report have been prepared in compliance with the Standards requirements; and done in good faith and that the certification decision had been based upon this information.

I, hereby confirm that, SYARIKAT ILAM be certified and awarded the Certificate under the Standard MSPO2530-3:2013 [Part 3: Standard for Oil Palm Plantations & Organized Smallholders]



CERTIFIER

PATRICK SIBAT SUJANG

Dated: 10 10 2019

11. DATE OF 1ST YEAR SURVEILLANCE AUDIT

OCTOBER, 2020



Figure 1 SYARIKAT ILAM LOCATION MAP



Syarikat ILam Map
1.pdf