



MSPO SURVEILLANCE CERTIFICATION REPORT [YEAR 01] 2021

NORMA SUMBER SDN BHD [925514-w]

Main Office Address:

No 10, 1st Floor, Jalan Tok Tok, 96100, Sarikei, Sarawak

Site Address:

NCR, Sungai Selidap, Petai, 96100, Sarikei, Sarawak



BQAS Certification [M] Sdn Bhd

Lot 7823, Sublot 6, 2nd Floor, Block A, King Center, Simpang Tiga, 93350, Kuching, Sarawak.

Tel: 082 572 043

Email: bqascertification@gmail.com

Website: www.bqas.com.my

Accreditation No: ACB MSPO CB15



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

CERTIFIED ENTITY

| | | |
|-------------------------------|---|--------------------------------|
| MSPO Standards | <input checked="" type="checkbox"/> MS2530-3:2013 General Principles for Palm Oil Plantations & Organized Smallholders | |
| Type of Certification: | <input checked="" type="checkbox"/> Individual | |
| Project Ref No: | BQ/NSSB/SVA01/06/21 | |
| MPOB License No: | 6032 6110 2000 | |
| MSPO Certificate No: | BQAS 009 | |
| MSPO Certificate Validity: | 01 10 2019 to 30 09 2024 | |
| HQ Office Address: | No 10, 1st Floor, Jalan Tok Tok,96100, Sarikei, Sarawak | |
| Site Address: | NCR, Sungai Selidap, Petai, 96100, Sarikei, Sarawak | |
| Contact Person / Job Title: | Mr. Wong Ling Tung | Director |
| Telephone / Mobile: | 084 656 608 | 019 819 3255 |
| Email / Website: | wildanwong@yahoo.co.uk | norma.sumber.sdn.bhd@gmail.com |
| Contact Person / Job Title: | Mr. Wong Yiik Ping | Estate Manager |
| Telephone / Mobile: | 084 655 088 | 012 889 7890 |
| Email / Website: | sarikeicity@yahoo.com | norma.sumber.sdn.bhd@gmail.com |

CERTIFICATION BODY

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

| | | |
|-----------------------------|---|--|
| Office Address: | Lot 7823, Sublot 6, 2n Floor, Block A, Kings' Center, Simpang Tiga, 93350, Kuching Sarawak. | |
| Contact Person / Job Title: | Managing Director | |
| Telephone / Mobile: | +6 082 572043 | |
| Lead Auditor: | Dominic Retan Giah | |
| Technical Reviewer: | Maxwell S Landong | |

Disclaimer:

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**TABLE OF CONTENTS**

| NO | DESCRIPTION | PAGES |
|-----------|---|----------------|
| | Executive Summary | 4 - 5 |
| 1. | Information: Certification Assessment | 6 |
| 2. | Information: Certified Entity | 6 |
| 3. | Assessment Methodology | 7 |
| 4. | Assessment Process | 8 - 9 |
| | 4.1. Audit Team | |
| | 4.2. Audit Plan | |
| 5. | Surveillance Assessment | 10 - 44 |
| | 5.1. Surveillance Audit Report | |
| | 5.2. Summary of Findings | |
| | 5.3. Audit Conclusion | |
| | 5.4. Acknowledgement by Certified Entity | |
| | 5.5. Corrective Action Report & Closure | |
| 6. | Official Sign-off | 45 |
| | 6.1. Assessment Recommendation by Lead Auditor | |
| | 6.2. Assessment Review by Technical Reviewer | |
| 7. | Conclusion | 46 |
| | 7.1. Certification: BQAS Management | |
| | 7.2. Plan: Next Surveillance Assessment | |
| 8. | Attachments: | Nil |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
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Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

EXECUTIVE SUMMARY

NORMA SUMBER SDN BHD [NSSB] main office is located at **No 10, 1st Floor, Jalan Tok Tok, 96100, Sarikei, Sarawak**. The Plantation site is located at Geo-coordinates **N02°06.10.6' E111°35.11.0'** with its' address at **NCR, Sungai Selidap, Petai, 96100, Sarikei, Sarawak**; approximately 10 kilometers from Sarikei Town.

Established in **December 2010**, the Plantation has a **total certified area of 347.90 hectares** of lowland terrain with peat & sandy loam type soil; **Total planted area 325.54 hectares** and 22.36 hectares is reserved land and riparian zones [mainly peat area]. Plantation lands are owned by shareholders/Directors of Norma Sumber Sdn Bhd.

This is a **Surveillance [Remote] Audit [Year 1]**, 2nd year of certification to assess performance & maintenance of the management system & continued certification of **NSSB** under the Standard MSPO2530-3:2013 General Principles for Plantations & Organized Smallholders & scope is **Individual Certification**.

This Audit which was scheduled earlier to be conducted onsite in October 2020 was forcibly delayed a few times due to compliance requirements of COVID 19 MCO [movement control order] enforced by government authorities of Sarawak & Malaysia. Additionally, the plantation also had undergone a period of inactivity of operations in compliance to requirements of the authorities. Remote Audits options were assessed since; however, then it was rated as **high risk**; hence, the plan was shelved.

Upon various and continued communications between CB and **NSSB**, and further reassessment, the planned Onsite Audit was changed to Remote Audit to ensure regulatory compliances to national COVID 19 Pandemic MCO [movement control order] and regulations enforced by the SDMC [Sarawak Disaster Management Committee].

Guidance documents for this Remote Audit is MPOCC Version 3 Updated Circular [22 March 2021]

Guidance on remote audits due to Covid 19 Pandemic Restrictions.

Risk Assessment was conducted and it was determined prior to conducting the audit that **NSSB** is categorized as **low to medium risk entity** and qualify to be audited remotely.

ICT tools and audit medias in use during this Audit include zoom meetings, google drive for uploading documents, emails, whatsapp chat group for Auditors & Auditees [clients] personnel, postings of realtime photographs evidence and other relevant virtual communication tools etc.

The assessment method 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.



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

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The following are pertinent information on **NSSB**:

| | |
|--------------------------------------|--|
| No of Employees | <ul style="list-style-type: none"> 14 employees: |
| MPOB License No / Expiry date | <ul style="list-style-type: none"> No: 6032 6110 2000; Expiry: 30 09 2021 |
| Date of Establishment | <ul style="list-style-type: none"> December 2010 |
| Certified Area | <ul style="list-style-type: none"> 347.90 hectares |
| FFB Actual Production Volume 2020 | <ul style="list-style-type: none"> 8,997.83 MT |
| FFB Estimated Production Volume 2021 | <ul style="list-style-type: none"> 9,200.00 MT |

The Surveillance Audit was conducted on 23 - 25 06 2021; 1 Auditor; 3 mandays.

The purpose of this Audit is to evaluate the implementation, including effectiveness, and continuous compliance to MSPO requirements of **NSSB** management systems.

Assessments were done on management system documentation & compliance, estates facilities and palm oil production activities & operations. Information & data were systematically gathered & documented from online interviews, realtime photos as evidence & review of documentations and records.

There were 6 [six] findings in this Surveillance Audit; 1 Minor NC [non-conformance] and 5 OFI [opportunity for improvements]; under Criterion 4.4.4: Employees' safety and health, Criterion 4.5.3: Waste management and disposal & Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value area. Corrective Action reports on these findings are raised on 26 06 2021 and closed out on 15 08 2021.

In this Audit, the Auditors also determined that actions to be taken on findings in initial certification audit had been implemented satisfactorily and in compliance with requirements of the Standards.

Estate employees are remunerated in compliance with Employment Act & minimum wage regulations; and living & housing conditions in the staff housing and facilities continue to comply with standard requirements of health & safety regulations & the relevant Housing Act.

Available amenities in **NSSB** include treated water, electricity, telecommunication services and waste disposal services.

NSSB management systems has complied & conformed to MSPO Certification standards, conditions & requirements.

Conclusively, the Lead Auditor therefore recommended that **NSSB** certification under MSPO Standards MS2530-3:2013 Part 3 – General Principles for Oil Palm Plantations & Organized Smallholders to be continued and maintained.



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

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Standard: MS 2530-3:2013

Remote Audit

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1.0. INFORMATION: CERTIFICATION ASSESSMENT

| | | | |
|------|----------------------------------|-------------------------------------|--|
| 1.1. | Type of Certification Assessment | <input type="checkbox"/> | Initial Certification / Main Audit |
| | | <input checked="" type="checkbox"/> | Annual Surveillance Audit [Year 1] |
| | | <input type="checkbox"/> | Re-certification Audit |
| 1.2. | Scope of MSPO Certification | <input checked="" type="checkbox"/> | Production of Sustainable Fresh fruit Bunch from: |
| | | | Total Planted Areas Total Certified Areas |
| | NORMA SUMBER SDN BHD | | 325.54 hectares 347.90 hectares |
| 1.3. | MSPO Standards | <input checked="" type="checkbox"/> | PART 3: MS2530-3:2013 |

2.0. INFORMATION: CERTIFIED ENTITY

| | | | |
|----------------------------|---|---------------------------|---------------------------------------|
| Company Name & Reg No: | Norma Sumber Sdn Bhd (Company No. 925514-W) | | |
| Main Address: | No. 10, Jalan Tok Tok, 96100 Sarikei, Sarawak | | |
| Site Name: | NCR, Sg Selidap, Petai, 96100 Sarikei, Sarawak | | |
| Primary Function: | <input checked="" type="checkbox"/> Plantation/Organized Smallholders | | |
| Site Address: | NCR, Sg Selidap, Petai, 96100 Sarikei, Sarawak | | |
| Management Contact Details | | | |
| 1. | Name: Mr. Wong Ling Tung | Job Title: Director | |
| | Mobile: 019-819 3255 | Tel: 084 656 608 | Email: wildanwong@yahoo.co.uk |
| 2. | Name: Mr Wong Yiik Ping | Job Title: Estate Manager | |
| | Mobile: 012 889 7890 | Tel: 084 656 608 | Email: norma.sumber.sdn.bhd@gmail.com |
| Headcount: | Local: 7 | General Workers: 7 | Total: 14 |

MS 2530-3:2013 General Principles for Plantations & Organized Smallholders

| | |
|--|--|
| MPOB License No: 603261102000 | Expiry Date: 30/09/2021 |
| Scope of Activity: 1. Menjual dan mengalih FFB | |
| Date of Establishment: 2010 | Geo-Coordinates: N02°06.10.6' E111°35.11.0' |
| Certified Area: 347.90 ha | Planted Area: 325.54 ha |
| FFB Production (actual) 2020: 8,997.83 MT | FFB Production (estimate) 2021: 9,200.00 MT |
| Sources of FFB: Own estate | Main FFB purchaser: TBS Oil Mill |
| No of Planting Blocks: 70 | No of Palm trees: 52,767 |
| Palm Species: Sime Darby, Golden Hope | Age Range of Palm Trees: 4 – 9 years |
| Topography: sandy loam / peat | Soil Type: Mineral and some peat |
| Land Status: Ownership: | <input type="checkbox"/> Rented <input checked="" type="checkbox"/> Own Land <input type="checkbox"/> Joint Venture |
| Validity/Date of Certification: | 01 10 2019 to 30 09 2024 |



3.0. ASSESSMENT METHODOLOGY

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

| | |
|--|--|
| Information gathering Data collection | <ul style="list-style-type: none"> ICT tools and audit medias in use during this Audit include zoom meetings, google drive for uploading documents, emails, whatsapp chat group for Auditors & Auditees [clients] personnel, postings of realtime photographs evidence and other relevant virtual communication tools etc. |
| 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 evidence collection on current practices <p>People</p> <ul style="list-style-type: none"> Assessing future maintenance from interviewing online the auditee personnel on understanding & assessing competencies. |

| Surveillance Audit | | Audit Findings Classification | |
|--------------------|------------------------------|-------------------------------|---|
| Term | Meaning | Description | |
| YES | Compliance | • | Fulfilled requirement of audited standard |
| OPI | 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. |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

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4.0. ASSESSMENT PROCESS

The assessment process was preceded by/with **Risk Assessment of the certified entity** to determine that the Audited Entity qualify to be audited vide **Remote Audit**. BQAS had assessed that surveillance audit 01 of **NORMA SUMBER SDN BHD** is classified as **low to medium risk**.

4.1. AUDIT TEAM

| Assessment Year | Name | Role |
|----------------------|--------------------|--------------|
| Surveillance Year 01 | Dominic Retan Giah | Lead Auditor |

4.2. AUDIT PLAN

4.2.1. AUDIT OBJECTIVES

Surveillance Audit Year 01

- Changes to the certified client and its management system
- Verification of continuous management system implementation
- Review of effectiveness of measures arising from the previous audit (if applicable)
- Confirmation of fulfillment of certification requirements
- Enquiries on aspects of certification (Complaints)
- Review of any client's statements with respect to its certified operations (promotional material, website, use of BQAS logos and marks, use of the certificate)
- Customer specific requirements

4.2.2. ASSESSMENT SITES / PROGRAMS / PARAMETERS

| | |
|---------------|---|
| MS2530-3:2013 | General Principles for Plantations & Organized Smallholders |
|---------------|---|

4.2.2.1. Assessment Sites

Remote Assessments were performed on:

- Documentations & records
- Estate – field sites / activities
- Estate – processes, stores, waste & water management, workshop and related facilities



- Staff facilities – housing, amenities etc.

4.2.2.2. Assessment Program

Date: 23 - 25 06 21

No of Auditors: 1

No of Mandays: 3

- | | |
|-------|--|
| Day 1 | <ul style="list-style-type: none">• Opening Meeting• Review Certification Audit Report Year 01• Documentation Audit / Record Review |
| Day 2 | <ul style="list-style-type: none">• Estates – facilities review (chemical, schedule waste stores, workshop, etc.)• FFB evacuation process |
| Day 3 | <ul style="list-style-type: none">• Assessment/review of staff/workers housing & living conditions, facilities & amenities, domestic waste treatment etc.• Documentation Audit continued• Closing meeting• Presentation of Audit Checklist / Report |

4.2.2.3. Assessment 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
- 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

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Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

5.0. SURVEILLANCE ASSESSMENT**5.1. AUDIT REPORT**

| | |
|--------------------------------|---|
| Standard(s): | <input type="checkbox"/> MS 2530-1 <input type="checkbox"/> MS 2530-2 <input checked="" type="checkbox"/> MS 2530-3 |
| Other Standard and/or Edition: | Nil |

| INFORMATION: | CERTIFICATION BODY | |
|--------------------------|---|-----------------------------------|
| Name: | BQAS Certification [M] Sdn Bhd [1179994-x] | |
| CB No: | ACB MSPO 15 | |
| Address: | Lot 7823, Sublot 6, 2 nd Floor, Block A, Kings' Centre, Simpang Tiga, 93350, Kuching, Sarawak. | |
| Contact: | Tel: +6 082 572 043 | |
| | Website: www.bqas.com.my | |
| Surveillance Audit Date: | 23 - 25 06 2021 | Audit Duration: 3 man-days |
| BQAS Audit Team: | Name | Role in the Audit |
| | Dominic Retan Giah | Lead Auditor |
| | | |

PRINCIPLE 1 MANAGEMENT COMMITMENT & RESPONSIBILITY**Criterion 4.1.1: Malaysian Sustainable Palm Oil (MSPO) Policy**

| Indicator | Requirement | Compliance | Findings |
|------------------|--|---|--|
| 4.1.1.1 | A policy for the implementation of MSPO shall be established. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted NSSB-MSPO-P-004 Malaysian Sustainable Palm Oil (MSPO) Policy signed by the Managing Director Mr. Wong Yiik Kie on 28 th April 2019. It is on display on the noticeboard at the junction to the office and on the outside wall of the office. |
| 4.1.1.2 | The policy shall also emphasize commitment to continual improvement. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Referred to vaguely and indirectly in the 1 st line of the policy statement as "Norma Sumber Sdn Bhd is committed to implement the best management practice" |

**MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021****NORMA SUMBER SDN BHD**
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Criterion 4.1.2: Internal audit

| Indicator | Requirement | Compliance | Findings |
|-----------|---|--|---|
| 4.1.2.1 | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Internal Audit was conducted on 13 to 14/11/2019. Findings raised: 14 NCs and 17 OFIs. |
| 4.1.2.2 | 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 checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input checked="" type="checkbox"/> NC - Major | Procedure available and sighted - ref: NSSB-MSPO-SOP-003; Eff. Date: 2 nd May 2019, Rev. no. 00. Also sighted: <ul style="list-style-type: none"> Minutes of the NSSB MSPO Internal Audit Meeting of 01/09/2020 attended by 6 staff. NSSB CAR forms dated 23/06/2019 for 16 Non-conformities, all declared closed. The minutes of the Internal Audit Meeting recorded that all findings had been resolved in June 2019 without divulging any details. |
| 4.1.2.3 | Report shall be made available to the management for their review. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The results of the internal audit were mentioned in the MSPO Internal Audit Meeting of 01/09/2020 which also served as a management review meeting. |

Criterion 4.1.3: Management review

| | | | |
|---------|---|---|---|
| 4.1.3.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB conducted its MSPO Internal Audit Meeting (which was also the management review meeting) on 01/09/2020 attended by the Managing Director and chaired by the MSPO Coordinator. Based on the minutes of meeting, the management was preparing for the next internal audit, scheduled for July 2021 (after the current MCO). |
|---------|---|---|---|

Criterion 4.1.4: Continual improvement



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

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Remote Audit

Report Date: 03 09 2021

| | | | |
|---------|---|---|---|
| 4.1.4.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB/MSPO/SIA/20-01; reviewed date: 01.08.2020 for Social Improvement Plan covering: 1) Job opportunities 2) Employment conditions 3) Living conditions 4) Health & safety in workplace 5) Public health & safety 6) Communication For the environmental improvement plan, NSSB-MSPO-E-EMP-20-01 lists out the following impacts: 1) Water quality management 2) Soil erosion, slope & sediment 3) Domestic waste management 4) Scheduled waste management 5) Chemical management 6) Peat management |
| 4.1.4.2 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Among the practices discerned are through: 1) Company bulletins, memos and circulars on the estate noticeboard 2) Discussion & briefing with suppliers and subsequent training |
| 4.1.4.3 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Social Improvement Plan covering: 1) Job opportunities 2) Employment conditions 3) Living conditions 4) Health & safety in workplace 5) Public health & safety 6) Communication Workers and external stakeholders (visitors and contractors) attended training on various topics in connection with the above items listed. To improve efficiency & effectiveness in FFB evacuation, NSSB has purchased some |



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Remote Audit

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tracked dumpers. This was after discussion and interaction with customers and suppliers.

PRINCIPLE 2 TRANSPARENCY

Criterion 4.2.1: Transparency of information and documents relevant to MSPO requirements

| Indicator | Requirement | Compliance | Findings |
|-----------|--|---|---|
| 4.2.1.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Noted: display of company documents, memos, bulletins and circulars on the office noticeboard Noticeboard outside: posters on safety & health and safe work reminders. |
| 4.2.1.2 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Internal stakeholders (staff & workers) have access to noticeboards at the office or at the estate work site. The public can access information on the estate through corporate interaction at business meetings and company brochures. |

Criterion 4.2.2: Transparency method of communication and consultation

| | | | |
|---------|---|---|---|
| 4.2.2.1 | Procedures shall be established for consultation and communication with the relevant stakeholders. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB refers to a flow chart for handling requests for information from stakeholders. Applicants will fill up a form to be acted upon by the estate manager. Confidential information will require the MD's approval prior to release. |
| 4.2.2.2 | A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Mr. Wong Ling Tung is PIC in dealing with Complaints and Grievances in an appointment ref. no. NSSB/OSH-SHC/20/006 dated 02/01/2020 from the Estate Manager Mr. Wong Yiik Ping. |
| 4.2.2.3 | List of stakeholders, records of all consultation and communication and records of action taken in response to | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor | Sighted the following lists of stakeholders in NSSB updated by Mr. Liong YK: |



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Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | | |
|--|--|-------------------------------------|---|
| | input from stakeholders should be properly maintained. | <input type="checkbox"/> NC - Major | <ul style="list-style-type: none"> Internal stakeholders (staff & workers)- ref. no. ST 02; review date: 17/04/2020 Community groups & NGOs – ref. no.: ST 01; review date: 17/04/2020 Government bodies – review date; 04/04/2020 Contractors - . no. ST 01; review date: 19/04/2020 Suppliers – ref. no. ST 02; review date: 17/05/2020 <p>The Stakeholders Consultation meeting was last conducted in April 2020. The next meeting had to be postponed due to the Movement Control Order by the Malaysian Government in a letter to external stakeholders ref. no. NSSB-MSPO-M-E-01 dated 09/04/2021.</p> |
|--|--|-------------------------------------|---|

Criterion 4.2.3: Traceability

| | | | |
|---------|--|---|---|
| 4.2.3.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB MSPO-SOP-001, Rev. No.:00; Eff. Date: 02/05/2019 establishes NSSB's process of capturing the paper trail of FFB from harvesting to the weighbridge for delivery to the mill. |
| 4.2.3.2 | The management shall conduct regular inspections on compliance with the established traceability system. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Monitoring and recording are done by several assigned personnel from the harvester, truck driver, weighbridge clerk, FFB grader/checker and administration clerk. |
| 4.2.3.3 | The management should identify and assign suitable employees to implement and maintain the traceability system. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The PIC for Traceability in Norma Sumber is Mr. Liong Yick Khung in an appointment letter ref. no. NSSB/MSPO/APL/I/2020 dated 01/01/2020 from the Estate Manager. |
| 4.2.3.4 | Records of sales, delivery or transportation of FFB shall be maintained. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted: <ul style="list-style-type: none"> Final FFB Statement from TBS Oil Mill Sdn Bhd for April (1st to 30th) 2021 |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

- FFB Statement for April 2021 from Wonlin Enterprise Sdn Bhd

PRINCIPLE 3 COMPLIANCE TO LEGAL REQUIREMENTS

Criterion 4.3.1: Regulatory requirements

| Indicator | Requirement | Compliance | Findings |
|-----------|---|---|---|
| 4.3.1.1 | All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Among some of the regulations that NSSB is in compliance:</p> <ul style="list-style-type: none"> • MPOB, Licence No. 603261102000 expiring on 30/09/2021. • Valid Trade Licence No. 814116 expiring on 21/07/2021. • Royal Customs of Malaysia Windfall Profits Certificate of Registration No. Y14-20160000010. • Diesel permit (Ser. No. Q002030) for the purchase and storage of 200 litres for own consumption, expiring 28/12/2922. |
| 4.3.1.2 | The management shall list all laws applicable to their operations in a legal requirement register. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>NSSB maintains a Legal Register, ref. no. OT05; Version Date: 01/02/2019; Last Reporting Date: 30/09/2020 by Mr Liong Yick Khung.</p> <p>It comprises 21 legislations specific to the NSSB's activities such as:</p> <ul style="list-style-type: none"> • Operations (11 items) • Social (5 items) • OSH (2 items) • FMA (1 item) • Environment (2 items -legislation & guidelines from NREB & KDNHEP) |
| 4.3.1.3 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>The NSSB Legal Register was last updated on 30/09/2020.</p> |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| 4.3.1.4 | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | This task is assigned to Mr Wong Ling Tung as the PIC for updating the regulatory requirements as per appointment ref. no. NSSB/MSPO/APL/5/2019 dated 01/01/2019 from the Estate Manager Mr Wong Yiik Ping. |
| Criterion 4.3.2: Land use rights | | | |
| 4.3.2.1 | The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The land on which the plantation is established has been purchased from residents of 7 nearby longhouses in the vicinity of Sg Petai. The status of the land is NCR and the purchaser is Mdm Ilam who holds a majority share in Norma Sumber Sdn Bhd. |
| 4.3.2.2 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted: Sales and Purchase Agreement signed on 10/05/2009 between Mdm Ilam and the headmen and residents of the 7 longhouses, witnessed and verified by Penghulu Michael Meling for Sg Nyelong area, Sarikei. |
| 4.3.2.3 | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Noted boundary peg at forest fringe beside a road at: N 2° 6' 10.70' & E 111° 35' 8.64" |
| 4.3.2.4 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | There have been no disputes since the purchase of the land with the amicable signing of the purchase and sales agreement. |
| Criterion 4.3.3: Customary rights | | | |
| 4.3.3.1 | Where lands are encumbered by customary rights, the company shall | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI | The 859.73 hectares of NCR land acquired in 2009 for plantation use was with the |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | demonstrate that these rights are understood and are not being threatened or reduced. | <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | consent of the landowners from 7 nearby longhouses. |
| 4.3.3.2 | Maps of an appropriate scale showing extent of recognized customary rights shall be made available. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | A perimeter map of the plantation site is available. |
| 4.3.3.3 | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Based on the Sales & Purchase Agreement of 10/05/2009, the landowners from the 7 longhouses had been compensated for the sale of their land. |

PRINCIPLE 4 SOCIAL RESPONSIBILITY, HEALTH, SAFETY & EMPLOYMENT CONDITIONS

Criterion 4.4.1: Social impact assessment (SIA)

| Indicator | Requirement | Compliance | Findings |
|-----------|---|---|---|
| 4.4.1.1 | Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>These are described in the NSSB Social Improvement Plan ref. no. NSSB/MSPO/SIA/20-01 which covers the following areas:</p> <ol style="list-style-type: none"> 1) Job opportunities 2) Employment conditions 3) Living conditions 4) Health & safety in workplace 5) Public health & safety 6) Communication <p>The aspects are identified along with their attendant impacts. An action plan is determined for each aspect and impact identified.</p> <p>For example: to address recruitment & retention of locals, administrative, technical and supervisory will allocated to local applicants. Living quarters will be improved and the school bus practice will be maintained.</p> |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | | | <p>In this connection, a commendable innovation that NSSB has taken is to advertise for workers on its Facebook page.</p> <p>A negative impact is lack of hazard awareness for which the action plan is on OSH training with training records and PPE issue logbook as evidence of action carried out.</p> |
|--|--|--|---|

Criterion 4.4.2: Complaints and grievances

| | | | |
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| 4.4.2.1 | A system for dealing with complaints and grievances shall be established and documented. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB has such a system: NSSB Grievance Redressal Procedure for both internal and external stakeholders which provides a flow chart outlining the process of addressing the complaints and grievances and the time allocated at each level of management. |
| 4.4.2.2 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Mr Wong Ling Tung is PIC in dealing with Complaints and Grievances in an appointment ref. no. NSSB/OSH-SHC/20/006 dated 02/01/2020 from the Estate Manager Mr Wong Yiik Ping. |
| 4.4.2.3 | A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Complaints and suggestions can be placed inside the suggestion box placed on the outside wall of the office. A complaint form in the Malay language is also available. So far, no complaints or grievances have been received. |
| 4.4.2.4 | Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB informs its external stakeholders through letters as noted in a correspondence informing of an indefinite plantation closure due to the pandemic starting from 15/04/2021 (ref. no. NSSB-MSPO-M (E) 20-02 dated 19/04/2021. |
| 4.4.2.5 | Complaints and resolutions for the last 24 months shall be documented and made | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI | Although the NSSB Grievance Redressal Procedure provides a time frame to react |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | available to affected stakeholders upon request. | <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | to a complaint or grievance, it does not mention the retention period to keep such records. OFl: Consider to improve on the procedure by including a clause on the retention of records of complaints and grievances. |
|--|--|--|---|

Criterion 4.4.3: Commitment to contribute to local sustainable development

| | | | |
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| 4.4.3.1 | Growers should contribute to local development in consultation with the local communities. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | From photographs captured on a smartphone, NSSB has extended: <ul style="list-style-type: none"> • gifts on festive occasions such as Gawai 2019 and 2020 during visits to longhouses before the pandemic. • During the current restrictions on movement due to Covid-19, longhouse residents coming to purchase planting materials (at a sister company) are presented with complimentary goods. • Together with a sister company, Norma Sumber also provided 3 units manual and battery powered knapsack sprayers to Bomba Sarikei as contribution towards sanitizing of premises. |
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Criterion 4.4.4: Employees safety and health

| | | | |
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| 4.4.4.1 | An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted: NSSB Occupational Health and Safety Policy ref. no. NSSB-MSPO-P-008; signed by the MD on 28/04/2019. |
| 4.4.4.2 | The occupational safety and health plan shall cover the following: | | |
| A. | A safety and health policy, which is communicated and implemented. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The policy is displayed on the office notice board. Workers are reminded on aspects of the policy in a briefing before work. |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | | | Due to the pandemic, this is limited to small groups at individual work stations. |
| B. | b) The risks of all operations shall be assessed and documented | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sighted: NSSB HIRARC 2020 approved by the Estate Manager on 01/08/2020; Eff. Date 20/04/2019. Among the operations assessed for hazards are:</p> <ul style="list-style-type: none"> • Harvesting • Fertilizing • P & D Spraying • Weed Spraying • Motorcycle usage <p>A majority of the hazards are assessed as of low or medium risk rating.</p> <p>OFI: The effectiveness of the HIRARC maybe better validated by indicating the review date of the HIRARC forms.</p> |
| C. | An awareness and training program which includes the following requirements for employees exposed to pesticides: | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sighted: NSSB Executive, Staff & Workers Annual Training Programme Schedule Year 2020 providing training on 4 major aspects:</p> <ul style="list-style-type: none"> • Safety & Health • Environment • Social & Legal • Contractor Worker |
| C.1 | All employees involved shall be adequately trained on safe working practices; and | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>In the above training on safety & health, among the courses taught are the following:</p> <ul style="list-style-type: none"> • Safety & health policy • HIRARC • SOP for Chemical Handling • SOP for Motorcycles |
| C.2 | All precautions attached to products shall be properly observed and applied. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>In compliance. As determined in the above mentioned NSSB Executive, Staff & Workers Annual Training Programme Schedule Year 2020, workers are trained in safe work procedures such as:</p> |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | | | <ul style="list-style-type: none"> SOP for Chemical Handling SOP for Motorcycles |
| D. | The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>This is provided for as in the Social Improvement Plan NSSB/MSPO/SIA/20-01; reviewed date: 01.08.2020 which specifies the provision of PPE and safety training to address the aspect of safety & health in the workplace.</p> <p>Records of PPE issued: sample sighted for Mr Mauwazi who was issued:</p> <ul style="list-style-type: none"> Safety goggles, safety helmet, mask & boots on 15/03/2019 Safety goggles, mask & boots on 20/05/2020 |
| 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 Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sighted: NSSB Chemical Spraying procedure prepared in Malay. The procedure outlines the steps a sprayer must observe:</p> <ul style="list-style-type: none"> Preparation of safety attire (gloves, apron, rubber boots, mask & goggles) for work Inspection before commencing work (check weather, equipment in serviceable order, correct labelling of containers, mixing station) During operation (break for snack at work, wind direction, washing of exposed skin and hands before snacks) After work (storage of unspent chemicals, washing up of equipment, shower immediately after work) Cautions against: eating, drinking or smoking while at work, horse play, wastage of chemicals, improper containers) |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | | | OFI: this procedure maybe further enhanced by inserting a clause on triple rinsing to conserve wash water containing residual chemicals in the containers. |
| 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 checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Mr. Wong Ling Tung is the Estate Safety & Health Coordinator appointed by the Estate Manager Mr Wong Yiik Ping in a letter dated 21/01/2019 ref. no. NSSB/OSH-SHC/19/001. |
| 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 type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>NSSB conducted its last safety committee meeting on 01/02/2020 attended by 5 staff and chaired by the estate manager. Among the items discussed was Review of HIRARC in which the safety record was alluded to, there being no alteration in work activities.</p> <p>No meeting has been held since due to the pandemic. Any safety & health legal matters were attended to by immediate rectification after discussion with management. Such matters were on replenishing the first aid kits and on inspection of the fire extinguishers.</p> <p>OFI: Consider to mention:</p> <ul style="list-style-type: none"> • the accident record for the current year to date and the present quarter and • provide a tentative date for the next meeting. |
| H. | Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB Emergency Preparedness & Response ref. no. NSSB/SOP/SHE/04 Rev. No. 1; Eff. Date: 05/04/2019 caters to accidents, fire, dangerous occurrences, chemical spills and landslide & slope |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | | | <p>failure. The response to these depends on the severity of the emergency defined as:</p> <ul style="list-style-type: none"> • Level 1 (local occurrence within the project) • Level 2 (involves the public) • Level 3 (attracts media attention) <p>Noted: 1 fire extinguisher at the office another in the camp. Assembly point at the office premises.</p> |
| 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 checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>A trained First Aider is Mr4 Simon Ting Sing King having a certificate issued by the Red Crescent with an expiry date of 25/08/2022.</p> <p>No. of first aid kits: 3 altogether (1 at the office & 2 at the workers quarters).</p> |
| J. | Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Although NSSB has not experienced any accidents since establishment, the safety and health committee adheres to its HIRARC to ensure only safe acts and safe conditions exist.</p> |
| Criterion 4.4.5: Employment conditions | | | |
| 4.4.5.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>NSSB broadly refers to its Human Rights Policy ref. no. NSSB-MSPO-P-003; signed by the MD on 28/04/2019.</p> <p>In addition, NSSB has its Women's Rights Policy, also established on 28/04/2019.</p> |
| 4.4.5.2 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>NSSB has several policies to indicate its compliance such as:</p> <ul style="list-style-type: none"> • Human Rights Policy • Women's Rights Policy • Freedom of Association & Collective Bargaining Policy • Special Labour & Forced Labour Policy |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | | | All of these policies had been established on 28/04/2019. |
| 4.4.5.3 | Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted: Contract of Service ref. no. NSSB/MSPO/EC/2021 dated 01/01/2021 for Rabuan Kastani hired as Field Worker. He is paid RM42.00/ton for harvesting and RM0.40/palm for pruning of fronds. |
| 4.4.5.4 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Migrant workers are hired to work in teams on contract basis. Sighted: <ul style="list-style-type: none"> • Work contract of the above-mentioned Mr Rabuan Kastani dated 01/01/2021. • Payment voucher dated 30/04/2021 paid to Mr Rabuan Kastani amounting to RM1,915.70 for 26 work days in addition to loading of FFB at RM0.70/MT. • Payment voucher dated 31/05/2021 to Badrun team (of 3 men) for FFB harvesting amounting to RM9,724.70. Also sighted sample salary slip of staff member: for April 2021 at RM2,420.00. The workers earn wages above the industry minimum standards. |
| 4.4.5.5 | 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 | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB relies on the List of Internal Stakeholders (company employees) and the staff must search for separate documents individually for details of each worker. |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | entry, a job description, wage and the period of employment. | | |
| 4.4.5.6 | All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | In compliance. Sighted the Work contract of Mr Rabuan Kastani dated 01/01/2021 which he has signed and countersigned by Mr Wong Yiik Ping the Estate Manager. |
| 4.4.5.7 | The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Staff sign in for work by recording their attendance in a log book. Field workers who are on contract basis are monitored by their work supervisors. |
| 4.4.5.8 | The working hours and breaks of each individual employee as indicated in the 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 checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | A logbook is used to record overtime work for staff. Sample sighted: NSSB logbook for staff beginning June 1 till 17, 2021 for 5 staff. Together with this is the temperature check sheet for 16/06/2021 for 13 staff & workers (temperature range between 36.2°C and 36.4°C). Productivity of field workers is based on the FFB output or piece rated work completed for the day monitored by the supervisors. |
| 4.4.5.9 | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted the following and found in compliance: <ul style="list-style-type: none"> • Payment voucher dated 30/04/2021 paid to Mr Rabuan Kastani amounting to RM1,915.70 for 26 work days in addition to loading of FFB at RM0.70/MT. • Payment voucher dated 31/05/2021 to Badrun team (of 3 men) for FFB harvesting amounting to RM9,724.70. • Sample salary slip of staff member for April 2021 at RM2,420.00. |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| 4.4.5.10 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | From the contract sighted, workers in general have the following benefits <ul style="list-style-type: none"> Free on-site housing with electricity (from camp generators) and water (from rain harvesting system) |
| 4.4.5.11 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | All 7 general workers are accommodated in a raised wooden building provided with toilets, water and power supply. The staff being locals commute to work from their homes. |
| 4.4.5.12 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB has a specific Woman's Rights Policy (ref. no.: NSSB-MSPO-P-007; signed by the MD on 28/04/2019) which promotes a safe working environment for women and the consideration of the needs of pregnant women and working mothers. In addition, there is the NSSB-MSPO-P-005 Sexual Harassment Policy which seeks to promote a safe work environment for all employees and that it does not tolerate sexual harassment and violence against women. |
| 4.4.5.13 | 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 | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB respects the right of workers to form association and collective bargaining in its Freedom of Association and Collective Bargaining Policy ref. no.: NSSB-MSPO-P-002; signed by the MD on 28/04/2019). Worker representatives elected by the workers will not be discriminated against and can meet with management staff in a formal 2-way communication to solve workplace issues. |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | | |
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| | negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. | | In addition, NSSB has its Human Rights Policy ref. no. NSSB-MSPO-P-003; signed by the MD on 28/04/2019. |
| 4.4.5.14 | Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and 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. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>The NSSB Special Labour & Forced Labour Policy (ref. no.: NSSB-MDPO-P-006; bearing the signature of the MD on 28/04/2019) is against forced labour and recognizes the freedom of employees to terminate their employment provided they give ample notice.</p> <p>NSSB does not have any underaged workers.</p> |

Criterion 4.4.6: Training and competency

| | | | |
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| 4.4.6.1 | All employees, contractors and relevant smallholders are appropriately trained. A training program (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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sighted: NSSB Executive, Staff & Workers Annual Training Programme Schedule Year 2020 providing training on 4 major aspects:</p> <ul style="list-style-type: none"> • Safety & Health (24 topics) • Environment (9 topics) • Social & Legal (14 topics) • Contractor Worker (4 topics) <p>Sighted: Record of attendance at SOP for Harvesting & Pruning, Manuring, Knapsack Sprayer, Cut or Prune with Parang & Knife, Prevent Bite & Sting on 12/02/2020. A total of 16 personnel (both staff and workers) attended.</p> |
| 4.4.6.2 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sighted: NSSB Training Needs Analysis for Year 2019/2020 conducted on 12 categories of participants (staff, workers and external stakeholders) on 50 subjects such as:</p> <ul style="list-style-type: none"> • Oil palm harvesting • Water management in peat soil |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | | |
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| | | | <ul style="list-style-type: none"> • Schedule waste management • Employment policy • SOP for Chemical Weeding • Basic Health Care Awareness |
| 4.4.6.3 | A continuous training program 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The NSSB Executive, Staff & Workers Annual Training Programme Schedule Year 2020 could not be fully conducted due to concerns for the current pandemic. The last courses scheduled for May 2020 were conducted on 01/10/2020 covering such topics as Complaints and Grievances Procedure, Child Labour Policy and 4 others. |

PRINCIPLE 5 ENVIRONMENT, NATURAL RESOURCES, BIODIVERSITY & ECOSYSTEM SERVICES

Criterion 4.5.1: Environmental management plan

| Indicator | Requirement | Compliance | Findings |
|-----------|--|---|--|
| 4.5.1.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted: the NSSB Environmental Policy ref. no. NSSB-MSPO-P-009 signed by the MD on 01/03/2019. The policy is displayed on the noticeboard in the office. |
| 4.5.1.2. | The environmental management plan shall cover the following: | | |
| A. | An environmental policy and objectives | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The policy declares NSSB's commitment to <ul style="list-style-type: none"> • continually improve environmental performance • comply with all environmental legislations • environmental protection • minimize environmental risks & eliminate adverse environmental impacts |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | | | <ul style="list-style-type: none"> allocate resources to implement the environmental policy. |
| B. | The aspects and impacts analysis of all operations. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sighted: NSSB Environmental Aspect Impact Assessment ref. no. NSSB/MSPO/EAIA/2010/01; rev. no. 00, Eff. Date: 01/08/2020 covering the following process units:</p> <ul style="list-style-type: none"> General Unit Dump Site Mobile Equipment Estate Office Worker Quarters Workshop Lubricant Store Scheduled Waste Store Pesticides Store Harvesting Weeding/Upkeep Manuring <p>Examples of the assessment:</p> <ul style="list-style-type: none"> At the Dump site with leachate as the aspect, the existing control is compaction & topping up with soil while the recommended action is environmental awareness among staff & workers. For Mobile Equipment, the aspect is diesel leaks or spills. The existing control is periodic maintenance with the recommended action as continue with the current practice. |
| 4.5.1.3 | An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Available: NSSB environmental improvement plan, NSSB-MSPO-E-EMP-20-01 reviewed date: 01.08.2020.</p> |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | | |
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| 4.5.1.4 | A program to promote the positive impacts should be included in the continual improvement plan. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>The NSSB environmental improvement plan, NSSB-MSPO-E-EMP-20-01 lists out the following impacts:</p> <ol style="list-style-type: none"> 1) Water quality management 2) Soil erosion, slope & sediment 3) Domestic waste management 4) Scheduled waste management 5) Chemical management 6) Peat management |
| 4.5.1.5 | An awareness and training program 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sighted: NSSB Executive, Staff & Workers Annual Training Programme Schedule Year 2020 providing training on 4 major aspects:</p> <ul style="list-style-type: none"> • Safety & Health • Environment • Social & Legal • Contractor Worker |
| 4.5.1.6 | Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Environmental issues used to be brought up in the safety committee meeting. But the practice of holding meetings has been suspended due to the pandemic. Any environmental issues such the need to grade and repair plantation roads are attended to immediately after discussion with the management.</p> |

Criterion 4.5.2: Efficiency of energy use and use of renewable energy

| | | | |
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| 4.5.2.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sighted:</p> <ol style="list-style-type: none"> 1) NSSB Fuel Consumption Baseline (Litres/FFB MT) Actual Vs Budget for the Year 2020. 2) Purchase of diesel record at Wong Yuk Siew Service Station, Sarikei for the period May 15, 2021 to June 9, 2021. The record shows a total 13 purchases at 200 litres each time. |
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MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | | |
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| | | | <p>The budgeted consumption is 2,000 litres for the period from Jan. to Dec. 2020. The actual consumption peaks up in the months of June to Sept. with a high of 6,664.92 litres in August.</p> <p>This trend is also reflected in the graph for efficiency (actual consumption against FFB produced). Starting at 9.32 litres/FFB MT in January with a downward trend, the graph reaches a high peak in July (8.98 litres/FFB MT) before plunging down to 4.46 litres/FFB MT in Dec.</p> |
| 4.5.2.2 | <p>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.</p> | <p><input checked="" type="checkbox"/> Compliance</p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p> | <p>Efficiency is noted for 2020 when diesel amounting to 9.32 litres is used to yield 1 MT of FFB in January. The diesel consumption goes down gradually in the succeeding months but rises again to reach a high peak in July (8.98 litres/FFB MT) before plunging down to 4.46 litres/FFB MT in Dec.</p> |
| 4.5.2.3 | <p>The use of renewable energy should be applied where possible.</p> | <p><input checked="" type="checkbox"/> Compliance</p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p> | <p>Not applicable as all power is from the diesel generators.</p> |
| <p>Criterion 4.5.3: Waste management and disposal</p> | | | |
| 4.5.3.1 | <p>Waste products and sources of pollution shall be identified and documented.</p> | <p><input checked="" type="checkbox"/> Compliance</p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p> | <p>Although NSSB does not generate any scheduled waste, it has a SOP for Waste Management ref. no. NSSB-MSPO-SOP-005; Rev. No. 00; Eff. Date: 02/05/2019 and referring to the Environmental Quality (Scheduled Waste) Regulations 2005.</p> |
| 4.5.3.2 | <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> | <p><input checked="" type="checkbox"/> Compliance</p> <p><input type="checkbox"/> OFI</p> <p><input type="checkbox"/> NC - Minor</p> <p><input type="checkbox"/> NC - Major</p> | <p>NSSB makes use of the above-mentioned waste management plan.</p> |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| A | Identifying and monitoring sources of waste and pollution | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | OFI: Consider to review the waste management plan to accommodate identifying, handling and disposal of other waste types (apart from Scheduled Waste) such as those mentioned in the Environmental Aspects and Impacts Assessment, |
| 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>All empty chemical containers and fertilizer bags are removed by the supplier for other uses. Similarly, used oils from vehicle servicing are retained by the workshop for recycling.</p> <p>Good Practice noted: 3 recycle bins for glass, cans and plastics in the office premises.</p> |
| 4.5.3.3 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Estate vehicles are serviced at panel workshops which collect used oils for further recycling. This eliminates the setting up of a scheduled waste store. However, NSSB has a SOP for Waste Management ref. no. NSSB-MSPO-SOP-005; Rev. No. 00; Eff. Date: 02/05/2019.</p> |
| 4.5.3.4 | 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 program on recycling of used HDPE pesticide containers. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Empty chemical containers and empty fertilizer bags are collected by the supplier.</p> |
| 4.5.3.5 | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Domestic waste is disposed into roller bins collected by the Sarikei District Council on a daily basis.</p> |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

Criterion 4.5.4: Reduction of pollution and emission

| 4.5.4.1 | An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>The NSSB Efficient Energy Use 2020 re. no. NSSB/MSPO/EEU/02 presents the consumption data for electricity, water and diesel for the period Jan. to Dec. 2020.</p> <p>As a summary:</p> <table border="1"> <thead> <tr> <th>Energy</th> <th>Company</th> <th>Workers</th> </tr> </thead> <tbody> <tr> <td>Electricity (kWh)</td> <td>3,438</td> <td>3,368</td> </tr> <tr> <td>Water (litres)</td> <td>390,000</td> <td>815,000</td> </tr> <tr> <td>Diesel (litres)</td> <td>54,280.087</td> <td>0</td> </tr> </tbody> </table> <p>As electricity is supplied by SESCO, smoke from diesel-powered vehicles is the main pollutant.</p> | Energy | Company | Workers | Electricity (kWh) | 3,438 | 3,368 | Water (litres) | 390,000 | 815,000 | Diesel (litres) | 54,280.087 | 0 |
|-------------------|--|---|--|--------|---------|---------|-------------------|-------|-------|----------------|---------|---------|-----------------|------------|---|
| Energy | Company | Workers | | | | | | | | | | | | | |
| Electricity (kWh) | 3,438 | 3,368 | | | | | | | | | | | | | |
| Water (litres) | 390,000 | 815,000 | | | | | | | | | | | | | |
| Diesel (litres) | 54,280.087 | 0 | | | | | | | | | | | | | |
| 4.5.4.2 | An action plan to reduce identified significant pollutants and emissions shall be established and implemented. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Defined in the environmental improvement plan, NSSB-MSPO-E-EMP-20-01 lists out among others:</p> <ol style="list-style-type: none"> 1) Domestic waste management 2) Scheduled waste management | | | | | | | | | | | | |

Criterion 4.5.5: Natural water resources

| | | | |
|----------|---|---|---|
| 4.5.5.1. | The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: | | <p>NSSB has established a water management plan for rain water harvesting in its Rain Water Management Programme (Water Supply) 2019. It specifies:</p> <ul style="list-style-type: none"> • Inspection of water tanks & piping • Maintenance of the tanks and pipes • Water rationing during dry season • Contamination prevention |
| A | Assessment of water usage and sources of supply. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>The consumption of water is monitored to determine efficient energy use as in the NSSB Efficient Energy Use 2020 Rev. no. NSSB/MSPO/EEU/02.</p> <p>The consumption of water for 2020 is determined at: 390,000 litres for company use</p> |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | | |
|---|--|---|---|
| | | | 815,000 litres by the workers. Water is supplied by the water board of the Public Works Department |
| 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>The water from the estate office premises and the camp flows into filter tanks before being discharged into the estate drains and used for field application. To monitor the water quality, 2 sampling points have been set up at Sg Setuan Kecil with the last sampling conducted end of 2020. Water sampling is carried out quarterly by NSSB itself.</p> <p>The results of Q3/2020 indicated that the readings of the parameters were within the limits determined for WQ Class II.</p> |
| 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Based on the NSSB Environmental Aspects and Impacts Assessment, the following methods are in place to reduce wastage:</p> <ul style="list-style-type: none"> • Inspection of water tanks & piping (taps are turned off when not in use, repair leaks) • Maintenance of the tanks and pipes • Water rationing during dry season • Contamination prevention (use detergents & chemicals only when necessary) |
| D | Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along natural waterways within the estate. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Noted that NSSB has put signboards to indicate the riparian buffers of stream. |
| E | Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Signboards will remind estate personnel to stay away from carrying out plantation activities. |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | | |
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| 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Not applicable as these are not in use. |
| 4.5.5.2 | No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Not applicable as the nearest river Sg Selidap is about 2 km from the plantation boundary. |
| 4.5.5.3 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | In practice at office premises and at the camp where the water is used for washing. Potable water is supplied by the PWD water board (JBALB). |
| Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value area | | | |
| 4.5.6.1. | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | High biodiversity value habitats are not found in this former shifting cultivated areas. |
| 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Workers in the plantation have reported of seeing various animals (on the forest fringes) which had made the site their foraging ground as well as home. Among the animals that have been sighted are the Tarsius (Kera hantu) classified as totally protected in the Sarawak Wildlife Protection Ordinance, and the cobra cited as a protected species. |
| 4.5.6.2. | If rare, threatened or endangered species, or high biodiversity value, are | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI | Among the animals that have been sighted are the Tarsius (Kera hantu) |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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| | present, appropriate measures for management planning and operations should include: | <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | classified as totally protected in the Sarawak Wildlife Protection Ordinance, and the cobra cited as a protected species. |
| A | Ensuring that any legal requirements relating to the protection of the species are met. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB has set up No Hunting signboards in strategic locations in the plantation. |
| B | Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | In addition to the No Hunting notices, NSSB has put signage against open burning, carrying out estate operations (manuring & weeding) in the riparian buffers. |
| 4.5.6.3 | A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. | <input type="checkbox"/> Compliance <input type="checkbox"/> OFI <input checked="" type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NC: Although plantation personnel have sighted wildlife in the vicinity or inside the estate, NSSB has not implemented a management plan to cater to protected and totally protected animals. |
| Criterion 4.5.7: Zero burning practices | | | |
| 4.5.7.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | This plantation advocates a zero burning policy as seen in its NSSB-MSPO-P-010 Norma Sumber Sdn Bhd Zero Burning Policy signed by the MD n 01/03/2019. |
| 4.5.7.2 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Not applicable as the plantation does not subscribe to any burning practices. |
| 4.5.7.3 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Not applicable |
| 4.5.7.4 | Previous crops should be felled or mowed down, chipped and shredded, | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI | Not applicable |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | |
|--|--|
| windrowed or pulverized or ploughed and mulched. | <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major |
|--|--|

PRINCIPLE 6 BEST PRACTICES

Criterion 4.6.1: Site management

| Indicator | Requirement | Compliance | Findings |
|-----------|---|---|---|
| 4.6.1.1 | Standard operating procedures shall be appropriately documented and consistently implemented and monitored. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The SOPs are contained in the NSSB Best Management Practice ref. no. NSSB-MSPO-BMP for the following activities, among others: <ul style="list-style-type: none"> • FFB Harvesting • Manuring • Road maintenance |
| 4.6.1.2 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Not applicable as the plantation is established on flat low-lying terrain. |
| 4.6.1.3 | A visual identification or reference system shall be established for each field. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Blocks are identified with sign-posted bearing the block number, size and number of palms as noted at Block B at 6.77 ha in size and having 948 palms. |

Criterion 4.6.2: Economic and financial viability plan

| | | | |
|---------|---|---|---|
| 4.6.2.1 | 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"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted the following documents: <ul style="list-style-type: none"> • NSSB Business Management Plan ref. no. NSSB/MS[PO/BP/2021/01; Rev. No. 00; Date: 01/01/2021 • Profit & Loss Statement for 2020. |
| 4.6.2.2 | Where applicable, an annual replanting program shall be established. Long term replanting program should be | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor | Not applicable as replanting is still a long way off. |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

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[925514-w]

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Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | established and review annually, where applicable every 3-5 years. | <input type="checkbox"/> NC - Major | | | | | | | | | | | | | | | |
|------------------------------|---|---|--|-------------|----------|--------------|--------------|---------------|--------------|-------------------|--------------|------------------------------|----------|-------------------|--------|------------------------|-------------|
| 4.6.2.3 | The business or management plan may contain: | | Sighted: NSSB Business Management Plan ref. no. NSSB/MS[PO/BP/2021/01; Rev. No. 00; Date: 01/01/2021 approved by the MD Mr. Wong Yiik Kie. | | | | | | | | | | | | | | |
| A | Attention to quality of planting materials and FFB. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The planting materials used are: <ul style="list-style-type: none"> • Sime Darby • Golden Hope series 500 • Calix 600 | | | | | | | | | | | | | | |
| B | Crop projection: site yield potential, age profile, FFB yield trends. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Based on the info in the Business Plan, the yield is on the increase as more palms mature to be more productive.</p> <p>Noted that production for 2020 was 8,997.83 MT</p> <p>Projected production for 2021: 9,200 MT</p> <p>Age profile: 5 to 10 years old</p> <p>From the profit & Loss Statement, discerned the following:</p> <table border="0"> <thead> <tr> <th>Particulars</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>Revenue (RM)</td> <td>5,561,102.76</td> </tr> <tr> <td>Expenses (RM)</td> <td>2,305,855.85</td> </tr> <tr> <td>Gross profit (RM)</td> <td>3,255,244.91</td> </tr> <tr> <td>FFB Production for 2020 (MT)</td> <td>8,997.83</td> </tr> <tr> <td>Planted area (Ha)</td> <td>325.54</td> </tr> <tr> <td>Yield for 2020 (MT/Ha)</td> <td>27.64 MT/Ha</td> </tr> </tbody> </table> | Particulars | Quantity | Revenue (RM) | 5,561,102.76 | Expenses (RM) | 2,305,855.85 | Gross profit (RM) | 3,255,244.91 | FFB Production for 2020 (MT) | 8,997.83 | Planted area (Ha) | 325.54 | Yield for 2020 (MT/Ha) | 27.64 MT/Ha |
| Particulars | Quantity | | | | | | | | | | | | | | | | |
| Revenue (RM) | 5,561,102.76 | | | | | | | | | | | | | | | | |
| Expenses (RM) | 2,305,855.85 | | | | | | | | | | | | | | | | |
| Gross profit (RM) | 3,255,244.91 | | | | | | | | | | | | | | | | |
| FFB Production for 2020 (MT) | 8,997.83 | | | | | | | | | | | | | | | | |
| Planted area (Ha) | 325.54 | | | | | | | | | | | | | | | | |
| Yield for 2020 (MT/Ha) | 27.64 MT/Ha | | | | | | | | | | | | | | | | |
| C | Cost of production: cost per ton of FFB. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Cost per ton of FFB: Expenses/MT FFB</p> <p>Expenses= RM2,305,855.85</p> <p>FFB MT for 2020: 8,997.83</p> <p>Cost RM/MT FFB: RM361.78/MT FFB</p> | | | | | | | | | | | | | | |
| D | Price forecast | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The NNSB plantation relies on the FFB price at the mill (TBS Oil Mill, Sibul) and the collection center (Wonlin Enterprise Sdn Bhd, Sarikei). | | | | | | | | | | | | | | |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | | |
|--|--|---|---|
| E | Financial indicators: cost benefit, discounted cash flow, return on investment. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Against the current background of favorable FFB prices and gradually maturing palms, NSSB is expected to make decent profits for this year. |
| 4.6.2.4 | The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | The management team used to meet once a year to distribute dividends. With the current pandemic, no formal meeting is conducted and no records kept. But informal discussions are still held every now and then to monitor progress and to make arrangement to respond to situations. |
| Criterion 4.6.3: Transparent and fair price dealing | | | |
| 4.6.3.1 | Pricing mechanisms for the products and other services shall be documented and effectively implemented. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>The price formula for the FFB Purchase is defined in the sales contract with the FFB buyer (in Schedule 1 of the Contract as seen with that signed between Wonlin Enterprise, Sarikei and Norma Sumber Sdn Bhd on 25/03/2021). The various factors in the formula are decided by MPOB.</p> <p>Also noted an NSSB memo dated 01/01/2020 from the Estate Manager to workers on the rates for contract services by workers (samples as follows):</p> <ul style="list-style-type: none"> • Harvesting at RM52/MT • Pruning of fronds at RM0.40/palm • Broadcasting of fertilizer at RM0.06/palm |
| 4.6.3.2 | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Sample sighted: FFB Purchase Contract between TBS Oil Mill Sdn Bhd, Sibuh with Norma Sumber Sdn Bhd providing 2 options of FFB process (ex-oil mill ramp):</p> <ul style="list-style-type: none"> • Option 1 – based on daily MPOB average CPO & PK Peninsular Malaysia prices |



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

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[925514-w]

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Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

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|------------------------------------|---|---|---|
| | | | <ul style="list-style-type: none"> Option 2 – based on monthly MPOB average of CPO & PK Peninsular Malaysia prices <p>The contract period is from 01/10/2020 to 31/10/2021 and was signed by both parties on 29/10/2020.</p> |
| Criterion 4.6.4: Contractor | | | |
| 4.6.4.1 | Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>The training programme also involved induction classes for contractor workers as noted in the NSSB Executive, Staff & Workers Annual Training Programme Schedule Year 2020 providing training on 4 major aspects:</p> <ul style="list-style-type: none"> Safety & Health Environment Social & Legal Contractor Worker <p>The induction classes provide awareness training on MSPO and safety & health.</p> |
| 4.6.4.2 | The management shall provide evidence of agreed contracts with the contractor. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Samples sighted:</p> <ul style="list-style-type: none"> FFB Purchase Contract with TBS Oil Mill Sdn Bhd, Sibul signed on 29/10/2020. FFB Purchase Contract with Wonlin Enterprise, Sarikei on 25/03/2021. |
| 4.6.4.3 | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. | <input checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB has accepted BQAS auditors to conduct the initial MSPO audit. |
| 4.6.4.4 | 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 checked="" type="checkbox"/> Compliance <input type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Field supervisors are responsible to monitor the work of the contractors at:</p> <ul style="list-style-type: none"> Harvesting of FFB (done by own estate workers on contract basis) Road maintenance & other civil works in the estate |

PRINCIPLE 7

DEVELOPMENT OF NEW PLANTING

No development of new planting



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

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[925514-w]

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Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

5.2. SUMMARY OF FINDINGS

Table:

| Principles | P1 | P2 | P3 | P4 | P5 | P6 | Total |
|--|----------|----------|----------|----------|----------|----------|----------|
| No of NC: Major | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| No of NC: Minor | 0 | 0 | 0 | | 1 | 0 | 1 |
| No of OFI: Opportunity for Improvement | 0 | 0 | 0 | 4 | 1 | 0 | 5 |
| Total | 0 | 0 | 0 | 4 | 2 | 0 | 6 |

Finding No 1

Criterion 4.4.2: Complaints and grievances

| | | | |
|---------|---|---|---|
| 4.4.2.5 | Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Although the NSSB Grievance Redressal Procedure provides a time frame to react to a complaint or grievance, it does not mention the retention period to keep such records.</p> <p>OFI: Consider to improve on the procedure by including a clause on the retention of records of complaints and grievances.</p> |
|---------|---|---|---|

Finding No 2

Criterion 4.4.4: Employees safety and health

| | | | |
|---------|---|---|---|
| 4.4.2.5 | Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>Although the NSSB Grievance Redressal Procedure provides a time frame to react to a complaint or grievance, it does not mention the retention period to keep such records.</p> <p>OFI: Consider to improve on the procedure by including a clause on the retention of records of complaints and grievances.</p> |
|---------|---|---|---|



Finding No 3

Criterion 4.4.4: Employees safety and health

| | | | |
|----|---|--|---|
| K. | 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 Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | Sighted: NSSB Chemical Spraying procedure prepared in Malay. The procedure outlines the steps a sprayer must observe: <ul style="list-style-type: none"> • Preparation of safety attire (gloves, apron, rubber boots, mask & goggles) for work • Inspection before commencing work (check weather, equipment in serviceable order, correct labelling of containers, mixing station) • During operation (break for snack at work, wind direction, washing of exposed skin and hands before snacks) • After work (storage of unspent chemicals, washing up of equipment, shower immediately after work) • Cautions against: eating, drinking or smoking while at work, horse play, wastage of chemicals, improper containers) OFI: this procedure maybe further enhanced by inserting a clause on triple rinsing to conserve wash water containing residual chemicals in the containers. |
|----|---|--|---|

Finding No 4

Criterion 4.4.4: Employees safety and health

| | | | |
|----|---|--|---|
| A. | 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. | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | NSSB conducted its last safety committee meeting on 01/02/2020 attended by 5 staff and chaired by the estate manager. Among the items discussed was Review of HIRARC in which the safety record was |
|----|---|--|---|



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

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Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

| | | |
|--|--|---|
| <p>Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded</p> | | <p>alluded to, there being no alteration in work activities.</p> <p>No meeting has been held since due to the pandemic. Any safety & health legal matters were attended to by immediate rectification after discussion with management. Such matters were on replenishing the first aid kits and on inspection of the fire extinguishers.</p> <p>OFI: Consider to mention:</p> <ul style="list-style-type: none"> the accident record for the current year to date and the present quarter and provide a tentative date for the next meeting. |
|--|--|---|

Finding No 5

Criterion 4.5.3: Waste management and disposal

| | | | |
|---|---|--|--|
| A | Identifying and monitoring sources of waste and pollution | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>OFI: Consider to review the waste management plan to accommodate identifying, handling and disposal of other waste types (apart from Scheduled Waste) such as those mentioned in the Environmental Aspects and Impacts Assessment,</p> |
|---|---|--|--|

Finding No 6

Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value area

| | | | |
|---|---|--|--|
| A | Identifying and monitoring sources of waste and pollution | <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> OFI <input type="checkbox"/> NC - Minor <input type="checkbox"/> NC - Major | <p>OFI: Consider to review the waste management plan to accommodate identifying, handling and disposal of other waste types (apart from Scheduled Waste) such as those mentioned in the Environmental Aspects and Impacts Assessment,</p> |
|---|---|--|--|



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

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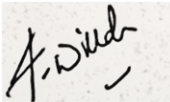
Remote Audit

Report Date: 03 09 2021

5.3. AUDIT CONCLUSION

| | Summary Statement of Lead Auditor | Signature |
|--|--|---|
| | <p>The purpose of this Remote Surveillance Audit is to evaluate the implementation, including effectiveness, of NORMA SUMBER SDN BHD Oil Palm management systems [OPMS] and that the requirement of the Standards MS2530-3:2013 is fulfilled.</p> <p>There are 6 findings; 1 NC [non-conformance] Minor and 5 OFI [opportunity for improvement] in this Audit.</p> <p>Overall NSSB had continuously maintained and conformed to the requirements of the Standards MS2530-3:2013. It is recommended that the Certification of NSSB under the standard be maintained.</p> |  Dominic Retan Giah Date: 26 06 2021 |

5.4. ACKNOWLEDGEMENT BY CERTIFIED ENTITY

| Acknowledgement by Auditee | Signature |
|--|---|
| <p>This is to acknowledge and confirm the Surveillance Remote Audit [SVA01] Assessments described in this Report and the Acceptance of the Contents and Findings in the said Audit Report.</p> |  Mr Wong Ling Tung Director 27 06 2021 |

5.5. CORRECTIVE ACTION REPORTS & CLOSURE

There were 6 [six] findings in this Surveillance Audit. CAR was raised and the finding was closed out by the Lead Auditor on 15 08 2021



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

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[925514-w]

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Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

6.0. OFFICIAL SIGN OFF

6.1. ASSESSMENT RECOMMENDATION BY LEAD AUDITOR

Based on the Findings/Action taken by Auditee/Closures above, **NORMA SUMBER SDN BHD** had been able to demonstrate and improved on its continual compliance to and with requirements of the MSPO MS2530-3:2013 Standard: General Principles for Plantations & Organized Smallholders.

Therefore, it is recommendation of the Audit team that the Certification of **NORMA SUMBER SDN BHD** under MSPO MS2530-3:2013 Standard be maintained.

Dominic Retan Giah

Date: 30 08 2021

6.2. ASSESSMENT REVIEW BY TECHNICAL REVIEWER

STATEMENT & CONFIRMATION

I/the undersigned, being the Technical Reviewer, confirm that I have examined thoroughly all contents of the Report in its' entirety.

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 Lead Auditor recommendations had been based upon this information. I, hereby confirm that, **NORMA SUMBER SDN BHD** Certification under the Standard MS2530-3:2013 be maintained.

Signed:

Maxwell S Landong

03 09 2021

7.0. CONCLUSION

7.1. CERTIFICATION: BQAS MANAGEMENT

In reference to MS 2530-3:2013, the BQAS Management hereby approved of:

- Issuance of the certificate.
- Issuance of the certificate as soon as implementation of corrective action(s) has been demonstrated.
- Maintenance of the certificate.**
- Maintenance of the certificate as soon as implementation of corrective action has been demonstrated.



MSPO SURVEILLANCE CERTIFICATION REPORT Year 01: 2021

NORMA SUMBER SDN BHD
[925514-w]

BQAS CERTIFICATION [M] SDN BHD [1179994-X]

Ref No: : BQ/NSSB/SVA01/06/21

Standard: MS 2530-3:2013

Remote Audit

Report Date: 03 09 2021

7.2. PLAN FOR NEXT SURVEILLANCE AUDIT

SVA 02 – tentatively to be in APRIL, 2022.

8.0. ATTACHMENTS

Nil

FOOTNOTES

All audit findings are based on a sampling process, targeted towards reliable evidence for effective implementation and compliance of the management system. Where applicable findings and required corrective action were or will be agreed upon with the responsible managers or management representatives, steps have been or will be defined to resolve such non-conformity. Further business aspects may exist, positive or negative, which have not been reviewed by the audit team. It is the organization's responsibility to investigate and evaluate the potential impact and scope of findings, thus continuously ensuring full compliance to the applied standard(s).