

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

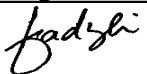
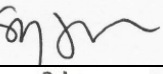

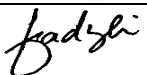
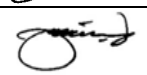
### CERTIFICATION AUDIT REPORT

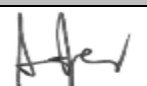
#### Part 4 : General Principles for Palm Oil Mills

##### Pandewan Palm Oil Mill Sdn Bhd

##### -Individual Certification-

#### MAIN ASSESSMENT AUDIT 16/04/2019 - 17/04/2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	13/05/2019	Issued as Draft Report	Mohd Fadzli bin Bistamam	Lead Auditor	
A	27/05/2019	Peer Review 1 Comments	Muhammad Syafiq bin Abu Bakar	Peer Reviewer 1	
A	27/05/2019	Peer Review 2 Comments	Nzri bin Rasidi	Peer Reviewer 2	
B	31/05/2019	Issued as Final Report	Mohd Fadzli bin Bistamam	Lead Auditor	
B	12/06/2019	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by Pandewan Palm Oil Mill Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	12/06/2019	Acceptance of the contents	Winnie Osingang	Sustainability Manager	

#### **Declaration**

The auditor(s) has (had) no personal, business or other ties to the client and the assessment is carried out objectively and independently.

WITH INTEGRITY WE SERVE



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Note: Section II of this report contain confidential information and been protected from public disclosure.



## SECTION I : PUBLIC SUMMARY REPORT

### 1.1 Certification Scope

**Global Gateway Certifications Sdn. Bhd. (GGC)** has conducted the Certification Assessment of **Pandewan Palm Oil Mill Sdn Bhd.** During this **Main Assessment Audit (Stage 2)**, the audit team was briefed by sustainability member, that the origin of FFB to Pandewan POM are from own and surrounding smallholders.

This assessment was conducted onsite on **16<sup>th</sup> April 2019 to 17<sup>th</sup> April 2019** to assess the compliance of the certification unit against the "**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills**". The scope of certification is "**Production Of Sustainable Crude Palm Oil And Palm Kernel**".

### 1.2 Company details and Contact information

<b>Company Name</b>	Pandewan Palm Oil Mill Sdn Bhd
<b>Business Address</b>	2-2 Lot 33, Block E, Lintas Square, Jalan Lintas 88300 Kota Kinabalu, Sabah, Malaysia.
<b>Contact Person</b>	Winnie Osingang
<b>Office Telephone</b>	088-222350
<b>E-Mail</b>	Winnieosingang.khhpk@gmail.com

### 1.3 Certification Unit

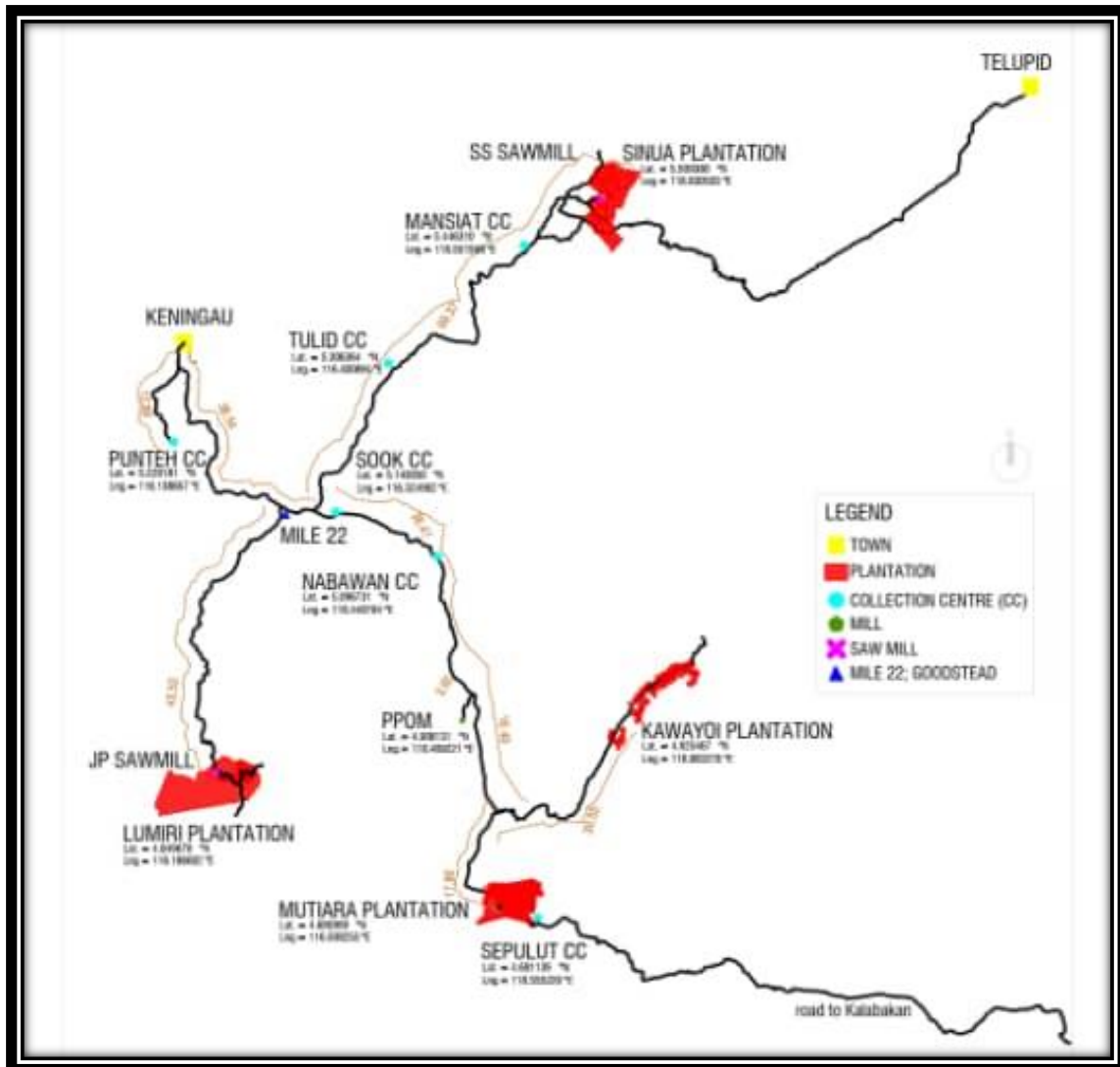
<b>Name of the Certification Unit</b>	Pandewan Palm Oil Mill Sdn Bhd	
<b>Mill Capacity (MT/HR)</b>	45	
<b>Site Address</b>	Mile 17 Jalan Nabawan-Sapulut. 89957 Keningau, Sabah, Malaysia.	
<b>GPS Reference of the site office</b>	<b>Longitude</b>	E 116° 28' 32.2"
	<b>Latitude</b>	N 4° 54' 13.2"

<b>MPOB License Information</b>	<b>License No.</b>	604205004000
	<b>Scope of Activity</b>	<ol style="list-style-type: none"> <li>1. Menjual dan Mengalih – PK, CPO</li> <li>2. Membeli dan Mengalih – FFB, PK, CPO</li> <li>3. Menyimpan – PK, CPO</li> <li>4. Mengilang FFB</li> </ol>
	<b>Expiry Date</b>	31 <sup>st</sup> October 2019

<b>Others Sustainability Certification</b>	NIL
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#### 1.4 Map Showing Geographical Location

##### 1) Pandewan Palm Oil Mill



## 1.5 Production Area, Actual and Projected FFB Production (MT)

### Production for Certified Unit

Pandewan POM Sdn Bhd	Projected from last audit	Actual Production for 12 Months [Apr 2018 – Mar 2019]	Projected Production for next 12 Months [Apr 2019 – Mar 2020]
FFB Summary (MT)	NIL	NIL	5,400.00
CPO Summary (MT)	NIL	NIL	1,161.00
PK Summary (MT)	NIL	NIL	243.00

# FFB's Own Estate & Certified Estates

### Production for Uncertified Unit

Pandewan POM Sdn Bhd	Projected from last audit	Actual Production for 12 Months [Apr 2018 – Mar 2019]	Projected Production for next 12 Months [Apr 2019 – Mar 2020]
FFB Summary (MT)	NIL	198,933.09	187,600.00
CPO Summary (MT)	NIL	42,443.57	40,334.00
PK Summary (MT)	NIL	8,469.74	8,442.00

## 1.6 Certificate Details

### Certification body

Global Gateway Certifications Sdn. Bhd.,  
No. 10 Jalan Rasmi 7, Taman Rasmi Jaya,  
68000 Ampang,  
Selangor Darul Ehsan, Malaysia.  
Tel.: +603 4256 2689; Fax: +603 4256 2687  
Website: [www.ggc.my](http://www.ggc.my)

### Assessment standard

(MSPO) Part 4: General Principles for Palm Oil Mills

### Certificate number

GGC-PPOM001-MSPO-00-2019

### Initial certificate issued date

12<sup>th</sup> June 2019

### Certificate expiry date

11<sup>th</sup> June 2024

<b>Stage 1 assessment date</b>	28 <sup>th</sup> February 2019
<b>Stage 2 / Main Assessment</b>	16 <sup>th</sup> April 2019 – 17 <sup>th</sup> April 2019
<b>Annual Surveillance 1 [ASA 1]</b>	March 2020
<b>Annual Surveillance 2 [ASA 2]</b>	March 2021
<b>Annual Surveillance 3 [ASA 3]</b>	March 2022
<b>Annual Surveillance 4 [ASA 4]</b>	March 2023

## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** Mohd Fadzli Bin Bistamam (Principle 1, 3, 5 & 7)

Post graduate qualification in Agricultural Engineering with more than 7 years working experience in Oil Palm Plantation Industry. More than 7 years of working experience in Oil Palm Plantation Industry with skills in Good Agricultural Practices (GAP) and Integrated Pest Management (IPM). Experience in managing estate workers, handling of mineral and peat soil and knowledgeable in chemical control of weeds and Pest & Diseases in Oil Palm Plantation Sector. Fully trained in similar agriculture certification programs such as RSPO, MSPO and ISCC. Completed and certified in ISO 9001:2015, RSPO Lead Auditor Course, MSPO Training and ISCC Basic Training. Thus, became qualified Lead Auditor for the above programs.

Involved in Oil Palm Sustainability Audit since year 2016. Involved in audits conducted in Malaysia, Indonesia, Papua New Guinea, Ivory Coast, India and Singapore. Able to write and speak in Bahasa Malaysia and English.

### Auditor

**Name:** Surenthiran Panneerselvam (Principle 2, 4 & 6)

He is graduated from University of Abertay Dundee, Scotland, UK majoring in PgDip/ MSc Oil and Gas Accounting and also graduated from Universiti Tenaga Nasional, Malaysia with a Bachelor's Degree in Accounting. Prior to joining Shell Business Operation as a Senior Cash Management Executive, he worked with Crowe Horwath as Senior Associate Auditor. He is equipped with experience in audit field, lecturing and accounting. Fully trained in Malaysian Sustainable Palm Oil (MSPO2530), Roundtable Sustainable Palm Oil (RSPO), ISO9001:2015 and ISO37001:2016. Completed and certified MSPO auditor course in year 2018 held by SGS Academy and ISO9001:2015 auditor course in year 2017 by TOMC.

During this assessment, he assessed on the aspect of Legal, Safety and Health, Employment Condition, Social and Community Engagements, Stakeholder's Consultation and Workers Welfare. Able to speak and understand Bahasa Malaysia and English.

## 1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). The sampling was calculated and determined prior to the audit assessment. In the case of this certification unit, sampling calculation was not applied as there is only one palm oil mill, namely "**Pandewan Palm Oil Mill**".

The assessment activities include of documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents etc. Significant issues that would impact to the environmental and social were also been verified.

The methodology for collection of objective evidence was established during physical site inspections, observation of tasks and processes, interviews of stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment.

Appendix A (Audit Plan) details the actual assessment plan. Stakeholders were consulted randomly during the assessment to obtain feedback on the management compliance and performance (Appendix C) of MSPO.

## 1.9 Audit Plan Information

<b>Audit Date</b>	16 <sup>th</sup> April 2019 – 17 <sup>th</sup> April 2019
<b>Name of site(s) visited</b>	Pandewan Palm Oil Mill
<b>Total number of man-days spent</b>	3 man-days

## 1.10 Audit Result Summary Findings

Findings category		
Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	0	No action requires
Area of Concern	1	No action requires
Noteworthy /Positive Comments	7	No action requires

## 1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01<sup>st</sup> August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

GGC has published the public notification on 14<sup>th</sup> March 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 16<sup>th</sup> April 2019 – 17<sup>th</sup> April 2019 in Pandewan Palm Oil Mill to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

During this Main Assessment (Stage 2) audit, the audit team has conducted stakeholder consultations involving both internal and external stakeholders as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements. The meeting was conducted without the present of mill management.

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the mill management before incorporating into the assessment findings. There was no negative complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. The details is as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	All stakeholders	<ul style="list-style-type: none"> <li>They aware and have good understanding about MSPO.</li> <li>They have good relationship with the management.</li> </ul>	No action requires	Positive findings
2.	Stakeholders A (Government Agency)	<ul style="list-style-type: none"> <li>They are always invited by company to participate in stakeholder meeting annually.</li> <li>They have good understanding about MSPO.</li> <li>They have good understanding about complaint and grievance mechanism.</li> </ul>	No action requires	Positive findings
3.	Stakeholders B (Contractors)	<ul style="list-style-type: none"> <li>They have good understanding about MSPO.</li> <li>He is clear that if he employs a worker, he has to officially inform estate</li> </ul>	No action requires	Positive findings



		<p>management. He also knows the working hours, minimum salary, Socso &amp; EPF (for local workers) that has to be paid as he has been briefed in the Stakeholders meeting.</p> <ul style="list-style-type: none"> <li>• They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work.</li> <li>• They were aware that any complaints or suggestions could be forwarded to the mill/estate management.</li> <li>• He is very happy with the management and hopes to continue his contract for a long time.</li> <li>• The company has good relation with supplier and there is no issue with company's performance.</li> </ul>		
4.	Stakeholder C (Neighbouring Estate)	<ul style="list-style-type: none"> <li>• They have good relationship with the management.</li> <li>• There is no conflict ever happened with mill &amp; estate.</li> </ul>	No action requires	Positive findings
5.	Stakeholder D (Mill workers)	<ul style="list-style-type: none"> <li>• MSPO awareness, company policy and SOP are briefed among workers during muster call.</li> <li>• Personal Protective Equipment are distributed free of charged by management.</li> <li>• They have good understanding about complaint and grievance mechanism.</li> <li>• They are very happy with the management and hopes to continue their contract for a long time.</li> <li>• Company well managing the welfare, health and safety of their workers.</li> </ul>	No action requires	Positive findings

		<ul style="list-style-type: none"> <li>Housing facilities is provided with water and electrical supply.</li> <li>They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2018.</li> </ul>		
6.	Stakeholders E (Mill - Gender Committee Representatives)	<ul style="list-style-type: none"> <li>They have been treated equally without any discrimination.</li> <li>No sexual harassment reported.</li> </ul>	No action requires	Positive findings

### 1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Pandewan Palm Oil Mill. Mill Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Main Assessment (Stage 2) Audit.

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit [based on MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 4: General Principles For Palm Oil Mills, there was only one (1) area of concerns has been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted was no major non-conformity findings. Therefore, the Lead Auditor recommends a certificate of compliance "**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles For Palm Oil Mills**" is awarded to Pandewan Palm Oil Mill.

### 1.13 Date of Next Surveillance Audit

The first annual surveillance assessment visit will be scheduled after 12 months of the MSPO Certificate being issued.

### 1.14 Confidentiality

GGC auditors will not discuss or reveal any of the confidential information seen during the audit to any third party. Any public summary of the main assessment will be approved by the client prior to publication.

**1.15 Abbreviations Used**

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FGS	Finished Good Stock
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil



## SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

### 2.1 Principle 1 : Management commitment and responsibility

#### Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

**Indicator 1** Policy for the implementation of MSPO shall be established.

**Summary** Pandewan Palm Oil Mill Sdn Bhd is wholly managed by Kilang Harta Hijau Perladangan Kelapa Sawit Sdn Bhd. The mill has established a Sustainability Policy which stating their commitment to implanting the following sustainable practices. The policy was signed off by KHPKS's Managing Director, Mr. Simon Ling Deing Ding on 1st January 2018. Briefing on the policy has been conducted to staff and mill workers dated 19.10.2017. Records with attendance lists being kept in the training file. As per audit and interviewed with mill workers, they are able to demonstrate clearly on the MSPO. Sighted at the notice board the MSPO Policy and other company policies.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.

**Summary** Pandewan Palm Oil Mill Sdn Bhd has established a Sustainability Policy which stating their commitment to implanting the following sustainable practices:

- To operate sustainability management based on the principles and criteria contained in MS2530:2013 standard.
- To continuously improve our operation in line with social, environmental and economic aspects.
- Ensure protection and conservation for High Conservation Value and High Carbon Stock areas.
- Ensure protection and preservation of rare, threatened or endangered species and high biodiversity values.
- To ensure this sustainability policy is distributed and understood by all the employees and stakeholders.

**In Compliance**  **Yes**  No  Not Applicable

#### Criterion 2 Internal audit

**Indicator 1** Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

**Summary** Based on the Annual Internal Audit Plant, the management has planned to conduct internal audit annually which will be held on October every year.

Sighted the internal audit report done by the internal audit team. They have conducted the internal audit on 5th December 2018. The audit was led by Mrs. Lawrence Caesar Chau (Lead Auditor) with 1 audit team member. The audit team has raised 1 major non-conformity, 3 minor non-conformities and 12 opportunity for improvements. The

Internal audit checklist and reports highlighted the strong and weak points which needs further improvement from The Management.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 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.

**Summary** The mill has established MSPO Procedure Title: Internal Audit, Doc No: MSPO-01, Rev 0, Date 1st July 2018. Prepared by Mrs. Winnie Osingang (Sustainability Manager) and approved by Mr. Samsudin Gapor (Mill Manager).

Evidence the internal audit covers all the MSPO Principles from 1 to 6 in the checklist and findings. Sighted the document being kept in Internal Audit Findings file at the office.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** Reports shall be made available to the management for their review.

**Summary** The internal audit report was made available to the management for their review on 11th January 2019 (Report Ref No: PPOM/MSPO/2018/01). The meeting was attended by Mr. Lawrence Caeser Chua and the HR manager, Mr. Walter

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 3 Management review**

**Indicator 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.

**Summary** The internal audit report has been discussed with the management on 13<sup>th</sup> February 2019. Sighted minute meeting (MSPO Management Review Meeting).

All the NCs raised has been reviewed by the PIC as stated in the meeting agenda. Documented evidences were demonstrated to the actions taken by mill management against the findings resulted from internal audit conducted.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 4 Continual improvement**

**Indicator 1** The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.

**Summary** The Mill Management has drawn-up planning on continual improvement for FY2019. The plan includes:  
1. Boiler smoke air-pollution control solution technology.  
2. Biogas system to gas engine boiler/flare.



3. Cake drier and sludge dewatering system fertilizer plant.
4. New staff/Executive semi D housing.
5. Gravity water catchment pond retention.

Budget for the above plan has been documented as per mill Budget 2019 Capital Expenditure sighted during the audit.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.

**Summary** The company disseminate the new information and techniques or new industry standards and technologies through the training.

Sighted the PPOM's training program for year 2019 which include the SOP training, Safety & Health, chemical handling, MSPO training and awareness training..

**In Compliance**  **Yes**  No  Not Applicable

## 2.2 Principle 2: Transparency

### Criterion 1 Transparency of information and documents relevant to MSPO requirements

**Indicator 1** The management shall communicate adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.

**Summary** Procedures established by the company relevant to MSPO requirements:

1. Traceability system procedure (MSPO-05/TSP-19/01)
2. Prosedur Pelan Pengurusan Alam Sekitar EMP (Ref No: MSPO-06)
3. Pengurusan Bahan Buangan (Ref No: MSPO-05)
4. Water Management Plan Procurement (MSPO/WMPP/18-01)
5. Training & Competency Procedure (MSPO/TNCP/18-01)

Sighted request for information form, as sampled taken dated 22nd March 2019, requested for workers record file and LOA. Stakeholder meeting conducted on 7th September 2018 at Bilik Mesyuarat Pandewan Palm Oil Mill Sdn Bhd [Bil. 1/2018]. Attended by 14 participants as stakeholders consists of SK Pandiwan, Pegawai Bomba, FELCRA Manager, SLDB Manager, Klinik Desa Pandiwan. Photographs, meetings minutes and attendance record are made available

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 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

**Summary** List of Publicly available documents as per form no. MSPO/PD/01 (Publicly Document) dated 13th December 2018. Documents listed such as:

1. Policy and Objective MSPO
2. SIA Report
3. Grievance Procedure
4. OSH Report
5. HIRARC Procedure

During the interview with mill manager, he informed that the applicants need to request through the mill office for official documents. For confidential documents it will have to go through the mill manager, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document. All these documents were sighted in the mill office.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 2 Transparent method of communication and consultation**

**Indicator 1** Procedures shall be established for consultation and communication with the relevant stakeholders.

**Summary** Procedure has been established as per document No: MSPO-05/SCCP-18/01 (Stakeholder communication & Consultation Procedure) dated 01st July 2018. The policy has identified mechanism for Request and Respond, Consultation & Meeting and Complaint & Grievances. The training material were kept in the Stakeholder file at office. Other than Stakeholder meetings, filling up the complaint & grievances, request and respond and consultation form or log book is another mechanism/method of communication and consultation for stakeholders. The forms can be obtain at the office and submitted to the office Personnel or place in the Drop Box at the office.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).

**Summary** Appointment letter sighted (Appointment as MSPO Public Relation Officer). The person-in-charge is Mr. Zendifirwan John, effective from 08th January 2018. He is responsible in matter involved in internal and external communication officer at PPOM.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.

**Summary** Sighted latest list of stakeholders available, categorized into different groups:

1. FFB suppliers
2. Government Agencies
3. External stakeholders

Complain forms from mill workers maintained by the management. Actions taken by the Management documented in Memo Penyelesaian Aduan Pekerja Bil 1/18.

Stakeholder meeting was conducted on 7th September 2018 at Bilik Mesyuarat Pandewan Palm Oil Mill Sdn Bhd [Bil. 1/2018]. Attended by 14 participants as stakeholders consists of SK Pandiwan, Pegawai Bomba, FELCRA Manager, SLDB Manager, Klinik Desa Pandiwan. Photographs, meetings minutes and attendance record are made available to the auditors during this audit.

**In Compliance**  **Yes**  **No**  **Not Applicable**

**Criterion 3 Traceability**

**Indicator 1** The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.

**Summary** The company has established the SOP as documented in Traceability system procedure (MSPO-05/TSP-19/01) dated 01st July 2018.

**In Compliance**  **Yes**  **No**  **Not Applicable**

**Indicator 2** The management shall conduct regular inspections on compliance with the established traceability system.

**Summary** As per internal audit report, regular inspection has been done during internal audit, which conducted by Mr. Lawrence Caesar Chau from HQ. As observed during site visit to the mill, the staff in charge was able to demonstrate the procedures of FFB receiving until the despatch out of CPO from the mill.

**In Compliance**  **Yes**  **No**  **Not Applicable**

**Indicator 3** The management shall identify and assign suitable employees to implement and maintain the traceability system.

**Summary** The PIC is Ms. Zerafiani Binti John as per appointment letter sighted (Appointment as MSPO Traceability Officer) effective from 08th January 2018.

**In Compliance**  **Yes**  **No**  **Not Applicable**

**Indicator 4** Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.

**Summary** Sales records of PK and CPO presented during the audit. For FFB receiving by the mill, record is maintained as per "Daily Report for Receiving Product FFB". Sighted the CPO & PK Contract Agreement which are prepared by the management.

**In Compliance**  **Yes**  **No**  **Not Applicable**





## 2.3 Principle 3 : Compliance to legal requirements

### Criterion 1 Regulatory requirements

**Indicator 1** All operations shall be in compliance with applicable local, national and ratified international laws and regulations.

**Summary**

Sighted the list of law for Pandewan Palm Oil Mill Sdn Bhd which include the law from Occupational Safety & Health, Environment and General (Housing Act, Labor Act, EPF 1991). License and permits to comply with local and international laws sighted during the audit such as MPOB License, *Permit Kawalan Barang Berjadual* for storing of diesel, Boiler License and etc. All the permits are within the validity period.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** The management shall list all relevant laws related to their operations in a legal requirement register.

**Summary**

The list of law for Pandewan Palm Oil Mill Sdn Bhd sighted in document Legal Register Pandewan Palm Oil Mill Sdn Bhd. List includes:

1. Occupational safety and health (Factories & machineries, Uniform building by law, Pesticide, Electrical supply, etc)
2. Environmental (EQA, Local Government)
3. General (Housing and Amenities, Labour, EPF, SOCSO, Union, etc)
4. Other Requirements (Jadual Pematuhan DOE, MPOB)

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.

**Summary**

The company keep the legal requirements updated by appointing Mrs. Winnie Osingang to in charge when any new amendments or any new regulatory coming into force.

The procedure has been outlined in document MSPO-12 (Management of Legal Compliance) where "The Legislation Register is to be updated by the Person In-charge when new legislation is introduced or changes to legislation are made".

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 4** The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.

**Summary**

The company has appointed Mrs. Winnie Osingang as the person in charge for MSPO Legal Requirement to monitor compliance and to track and update the changes in regulatory requirements. The appointment was made on 8th January 2018 (Ref. No: PPOMSB/WBO/1801-001(d)/HR.

**In Compliance**  **Yes**  No  Not Applicable



<b>Criterion 2 Land use rights</b>	
<b>Indicator 1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.
<b>Summary</b>	<p>Pandewan Palm Oil Mill is managed by Kilang Harta Hijau Perladangan Kelapa Sawit Sdn Bhd (Co. No. 983746-M). Sighted agreement dated 13th October 2015 between Pandewan POM and Kilang Harta Hijau.</p> <p>The mill is currently situated on land (Ladang Pandiwan) which belongs to Sabah Land Development Board (SLDB). The SLDB is a statutory body agreed to develop the land with oil palm crop. Sighted agreement between SLDB and participant (Peserta) which is applicant for the land in Ladang Pandewan.</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.
<b>Summary</b>	<p>Pandewan Palm Oil Mill Sdn Bhd as the owner of the mill whilst the Kilang Harta Hijau Perladangan Kelapa Sawit Sdn Bhd is the operator for the owner.</p> <p>Sighted the Management Agreement between Pandewan Palm Oil Mill Sdn Bhd (Co. No. 776862-W) and Kilang Harta Hijau Perladangan Kelapa Sawit Sawit (Co. No. 983746-M) for the operation and management of the Pandewan Palm Oil Mill, dated on 13th October 2015.</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.
<b>Summary</b>	<p>The mill is situated within Estate Pandewan which belongs to Sabah Land Development Board (SLDB). The mill is having permanent fence separates mill and estate area. Site verification specifically located at coordinate Longitude N 4° 54' 13.2" Latitude E 116° 28' 32.2".</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 4</b>	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).
<b>Summary</b>	<p>As per mill is built within Pandewan Estate (Belongs to SLDB). Thus, no disputes have been recorded in mill area. There is no evidence of conflict present in this mill. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.</p> <p><b>In Compliance</b>    <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>



### Criterion 3 Customary land rights

**Indicator 1** Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.

**Summary** As per mill is built within Pandewan Estate (Belongs to SLDB). Thus, there is no customary land in or surrounding all the mill. There are also no land disputes or claims involving this mill. The company has proper legal land title for the land ownership.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** Maps of an appropriate scale showing extent of recognized customary rights shall be made available.

**Summary** As per mill is built within Pandewan Estate (Belongs to SLDB). Thus, no disputes have been recorded in mill area. There is no evidence of conflict present in this mill. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.

**Summary** As per mill is built within Pandewan Estate (Belongs to SLDB). Thus, no disputes have been recorded in mill area. There is no evidence of conflict present in this mill. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

**In Compliance**  **Yes**  No  Not Applicable

## 2.4 Principle 4: Social responsibility, health, safety and employment condition

### Criterion 1 Social impact assessment (SIA)

**Indicator 1** Social impacts should be identified, and plans should be implemented to mitigate the negative impacts and promote the positive ones.

**Summary** Procedure for conducting internal SIA has been established by the company as per documented procedure MSPO Procedure: Social Impact Assessment (SIA) dated 01.10.2018. SIA has been conducted on 05<sup>th</sup> Jan.2019 as per document "Soal Selidik Penilaian Impak Sosial (SIA)", prepared by Mr. Zendifirwan John.

Several comments received during the stakeholder conducted on the 5<sup>th</sup> January 2019. Comments are related to issues such as:

1. Housing facilities
2. Tempat beribadat
3. Speed limit for transportation of FFB
4. Safety

“Pelan Penilaian Impak Sosial” (SIA) is made available and mitigation plan has been developed to resolve the issue raised during stakeholder meeting. Stakeholder meeting conducted on 7<sup>th</sup> September 2018 at Bilik Mesyuarat Pandewan Palm Oil Mill Sdn Bhd [Bil. 1/2018]. Attended by 14 participants as stakeholders consists of SK Pandiwan, Pegawai Bomba, FELCRA Manager, SLDB Manager, Klinik Desa Pandiwan. Photographs, meetings minutes and attendance record are made available.

The 2<sup>nd</sup> stakeholder meeting conducted on 10<sup>th</sup> October 2018 at Balai Polis Nabawan, Pejabat Pertanian, Klinik Kesihatan Nabawan. PPOM taken initiative to meet the stakeholders to their own place and seek for their concern.

**In Compliance**     **Yes**                       No                       Not Applicable

**Criterion 2 Complaints and grievances**

**Indicator 1** A system for dealing with complaints and grievances shall be established and documented.

**Summary** Procedure has been established as per document Prosedur Pengendalian Aduan atau Cadangan (Doc. No: PPOM17/PPMBP/01), effective date 01<sup>st</sup> July 2018.

The procedure is established for the PIC to handle complaints and grievances from workers and customers and discuss with the Mill Management for further appropriate actions.

Carta aliran kerja, “Pengendalian Aduan/Cadangan Pengadu” dated 1<sup>st</sup> July 2018 is made available.

**In Compliance**     **Yes**                       No                       Not Applicable

**Indicator 2** The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.

**Summary** Complaints and actions taken by the Management sighted in “Laporan Aduan dan Cadangan Pekerja”. Few samples of complain forms sighted and shown that the management has taken appropriate action to resolve the issues raised in timely manner.

**In Compliance**     **Yes**                       No                       Not Applicable

**Indicator 3** A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.

**Summary** Complaint Form seen for External and Internal Stakeholders. Complain box located outside the office.

During site visit, complaint form and complaint box is made available for stakeholders/workers to raise any complaint /grievance.

**In Compliance**     **Yes**                       No                       Not Applicable



**Indicator 4** Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.

**Summary** Procedures has been explained to stakeholders during meeting with them on 7<sup>th</sup> September 2018 (Minit Mesyuarat Bersama Pihak Kepentingan Pandewan POM) and during briefing towards MSPO (Pekebun Kecil) on 13<sup>th</sup> December 2018 – “Penerangan dan pemberitahuan kepada penduduk setempat berkaitan aduan dan cadangan kepada penduduk setempat”. Sighted attendance record and photographs was made available.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 5** Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.

**Summary** Sighted all internal complaints filled and responded. Once complaint/grievance is been resolved, “Notis Pemberitahuan” is recorded and monthly basis. Notice is made available in MSPO File 4, approved by Mr. Zendifirwan John, Public Relation Office of Pandewan Palm Oil Mill Sdn Bhd.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 3 Commitment to contribute to local sustainable development**

**Indicator 1** Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.

**Summary** Sighted Corporate Social Responsibilities file and record for Internal and External stakeholders. Record sighted for “Kerjasama Bersama Pihak Berkepentingan (Balai Polis Nabawan) Pandewan Palm Oil Mill membina Kubu Balai Polis Nabawan dengan menyediakan keperluan, peralatan dan bahan binaan”, dated 28<sup>th</sup> September 2019 at Balai Polis Nabawan. Seen photographs of the activities, prepared by Mr. Zendifirwan John and approved by Mr. Samsudin Bin Gapor, Mill Manager.

In Dec 2016, there was request made by local communities from Kg. Checkpoint for the upgrading of Masjid. Sighted the mill management has contributed RM 9463.54 for the development. Aside, in Oct 2017 there was a request from Kindergarten for monetary fund to organize prize giving ceremony which the management granted RM 180.00.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 4 Employees safety and health**

**Indicator 1** An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) shall be documented, effectively communicated, and implemented.

**Summary** OSH policy sighted (Occupational Health and Safety Pandewan Palm Oil Mill) signed by Managing Director Mr. Simon Ling Dieng Ding dated 01st January 2018. OSH Plan has been established as per Occupational Safety and Health Program 2018.



**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2 The occupational safety and health plan shall cover the following:**

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:
  - i) all employees involved are adequately trained on safe working practices; and
  - ii) all precautions attached to products should be properly observed and applied.
- 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).
- 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.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.
- h) Accident and emergency procedures shall exist, and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

**Summary**

Safety procedure for mill operations sighted as per document No: PPOM.SSOP.00.02.02 "Prosedur Pengoperasian dan Keselamatan" (SSOP) effective date 26.03.2018. HIRARC document sighted in document No: PPOM.HIRARC.09.01.01. This document has a complete risk assessed to all mill daily operations and stations such as Crude Oil tank, Decanter, Pure Oil Tank, Separator, Sludge Tank and etc.

OSH Plan has been established as per Occupational Safety and Health Program 2018. [No. dok: PPOM.PROGRAM.01.01.01, Rev: 02]. CSDS for chemical used in the mill available during the audit. Training for chemical handler conducted on 05.09.2018 (Pengendalian Bahan Kimia Berbahaya Kepada Kesehatan).

OSH training program planned for year 2019 is made available. Some of the training includes:

1. Introduction for new workers
2. Safety & health policy training
3. MSDS/CSDS Training
4. Chemical hazard training



5. CPR Technique training

PPE issuance record sighted in Individual record of personal protective equipment to employees. Record kept based on job/activities as example, workshop, security, boiler, maintenance and others. All record was made available in File PPE Issuance & Replacement.

CHRA Report (Ref No: RSSB/SHRA/2017-006) sighted prepared by REHPRO SCIENTIFIC SDN BHD (DOSH Reg: HQ/11/ASS/00/290) dated 02nd May 2018. Chemical register sighted during the audit. Example chemical used in the mill such as (Natrium Hidroksida 0.1N, Iodine Indicator, Hexane, Iso-Propyl Alcohol and Acid Sulphuric 0.02N). The company has already obtained a quotation to conduct a Medical Surveillance Assessment for its Lab Personnel from DAB OH Sdn Bhd. Reference letter sighted by the auditor during the audit.

Audiometric Testing Report sighted for the year 2018, [Ref: RS/AUDIO/18-004, 2nd May 2018, by Haris Konsult].

Appointment letter for Mr. Wilder Bin Joseph dated 19th June 2017, approved by Mr. Samsudin Gapor.was madeavailable during the audit. OSH Organization chart sighted [No. dok: PPOM.Lantikan.02.01.01]. OSH meeting regularly conducted every 3 months. Minute meeting sighted during the audit. Last meeting was conducted on 06<sup>th</sup> March 2019. Since there were no outstanding issues, therefore no follow up action requires from participants

ERP (Emergency response plan) sighted in document PPOM.ERP.01.01.01. Emergency Respond Plan Procedure and exit routes in file and notice board. Training / Fire drill yet to be conducted in year 2019. "Latihan Emergency Response Team 2018 (ERT)", conducted on 14th, 15th and 17th October 2018 at Balai Bomba Keningau. Photographs was made available.

Trained first aider is available in the mill. Training certificate (by NIOSH) sighted during the audit. Training was conducted on 27<sup>th</sup> April 2018. The trained first aider as follow:

1. Mrs. Zerafiani Binti John
2. Mr. Wider Jespeh
3. Mr. Zedifirwan John
4. Mr. Ranius Amin

**In Compliance**     **Yes**                       No                       Not Applicable

<b>Criterion 5</b>	<b>Employment conditions</b>
<b>Indicator 1</b>	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.

**Summary**                      The company has established several policies related to Human Rights such as:

1. Polisi Gangguan Seksual
2. "Prosedur Pengurusan dan Pengendalian Gangguan Seksual ditempat kerja", dated 1st November 2018.



3. Polisi Keganasan
4. Polisi Sosial dated 1st January 2018, approved by Mr. Simon Ling Dieng Ding, Managing Director.

**In Compliance**     **Yes**                       No                       Not Applicable

**Indicator 2** The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

**Summary** All workers enjoy the same scale of pay and provided with equal housing and work facilities. Sighted the policy of nondiscrimination related to workers and equal opportunity in the company. And in due respect and give fair treatment in accordance with the rights of employees of the mutual benefits of the company and the employees". No foreign workers hired by the management.

**In Compliance**     **Yes**                       No                       Not Applicable

**Indicator 3** Management shall ensure that employees' pay, and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

**Summary** The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732), Minimum wage order 2018. Malaysian minimum salary is RM1,100.00 as stated in the guidelines. Samples of payment slips were taken by the auditor showing that payment made to the mill workers is in compliance to the legal minimum standard.

**In Compliance**     **Yes**                       No                       Not Applicable

**Indicator 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.

**Summary** Contractor workers are paid based on the their contracts. Records of payment and the Agreement between the management and contractors is made available. Sighted driver's payroll for the month of March 2019, payment done by Dinamik Semai Sdn Bhd. Record of bank payment was made available [Batch reference number: MYFL190403673091] – Maybank, approved dated 3rd April 2019.

**In Compliance**     **Yes**                       No                       Not Applicable

**Indicator 5** The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.





**Summary** There are 2 sets of records available, first on the manpower report – consist of number of workers by nation, work area and their position. Secondly on the summary of legalized foreign workers – Indonesia. The list consists of date of birth, passport details, expiry of permit, etc.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 6** All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.

**Summary** Each employee is provided with the copy of contract agreement, and as per interview with Mrs Winnie all staff/workers required to sign acknowledgment form.

During site visit to the mill, as interview with the workers, they received a copy of contract agreement and understand the deduction and benefit of working with PPOM.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 7** The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.

**Summary** Time recording is based on Punch card system and Thumb Print to confirm the workers attendance.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 8** The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.

**Summary** Total hours work for the month for each worker sighted during the audit. Sighted "Jadual Bekerja", latest updated on 4th March 2019 as per below:

1. Staff: 7.00am – 4.00pm (1 hour – rest)
2. 1st shift – morning - 7.00am – 4.00 pm
3. 2nd shift – night 4.00pm – 1.00am

The working hours and breaks for the workers had complied with legal regulations. Sighted the pay slip for the workers that stated the overtime of the workers on daily works, overtime on holiday works, and overtime on public holiday.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 9** Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.

**Summary** Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Salary slips were made available, showing the deduction of workers as per the contract agreement signed by employee and employers. All deduction was made

based on the agreed terms with the rate and hours worked. Sighted salary slips of Tellday Bin Harun (FFB Grader) and Remueley David.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 10** Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings

**Summary** All workers have been provided with medical and accident insurance. With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.

One (1) accident was reported on 1st March 2019, sighted JKKP 6 submitted on 7th March 2019. Seen laporan siasatan kemalangan [No dok: PPOM.RPT.05.01.01, Rev. 01], prepared by Wilder Joseph and approved by Samsudin Gapor. Checked and verified the medical certificate from 6th March 2019 until 10th March 2019 [CKK. B. No.:304175]. All the sick leave attendance was paid according to Employment Act 1955 (Act 265) – Section 60(F)(3).

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 11** In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.

**Summary** All workers are provided with housing facilities at workers linesite. Electricity and water is provided by the mill without any charges to the workers. Checklist linesite as at 26<sup>th</sup> January 2019 and 22nd February 2019 is made available. As per interview with Mr. Zendifirwan John, linesite inspection is conducted on monthly basis. However, sighted latest linesite inspection checklist dated on 17th April 2019.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 12** The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.

**Summary** Procedure for handling sexual harassment established as per document Prosedur Pengurusan dan Pengendalian Gangguan Seksual di Tempat Kerja. Polisi Sosial dated 1st January 2018, approved by Mr. Simon Ling Dieng Ding, Managing Director.

Sighted "Laporan Taklimat Gangguan Seksual di tempat kerja" Bersama AJK Wanita & Kanak-Kanak dan Pekerja Wanita PPOM dated 4<sup>th</sup> December 2018 at Bilk Mesyuarat PPOM.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 13** The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance



with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.

**Summary** Policy on freedom of association (Polisi Hak Kebebasan Bersuara & Menganggotai Kesatuan”, approved by Mr. Simon Ling Deing Ding, dated 1st July 2018) sighted that respect and recognize the rights of employees to form or join trade unions. The mill has no workers union formed.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 14** Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state, and national legislation.

**Summary** As per Social Policy, no children below ages of 18 working in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed.

**In Compliance**  **Yes**  No  Not Applicable

## **Criterion 6 Training and competency**

**Indicator 1** All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.

**Summary** Training plan is available for OSH and environmental is as per training procedure documented in document No: MSPO/TNCP/18-01 dated 1<sup>st</sup> July 2018. This training plan include information on month, topic, personnel to be trained, trainer, assessment, and status. OSH training programme include such as PPE usage training, safety awareness, health awareness, biogas safety practices, ergonomics & noise, etc. As for the environment, the training includes of open burning, general waste management, environmental general & 3R, pome & treatment system, etc. Training records for all workers available and sighted during the audit.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.

**Summary** Training needs analysis for each worker evident during the audit. Sighted form no. MSPO-05 for each individual work station in the mill.

As documented Training Needs Analysis (TNA) [Ref: MSPO-05, Rev 0 dated 1st July 2018], provided for every employee based on department. TNA is prepared by Zerafiani John and approved by Mrs. Winnie.



**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** A continuous training programme shall 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.

**Summary** Training procedure documented in document No: MSPO/TNCP/18-01 dated 1st July 2018. Comprehensive annual training plan for the year 2019 is made available as per training needs analysis.

Sighted annual training calendar for the year 2019 for internal and external. Prepared by Zerafiani John and approved by Mrs. Winnie.

**In Compliance**  **Yes**  No  Not Applicable

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

### Criterion 1 Environmental management plan

**Indicator 1** An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated, and implemented.

**Summary** Environmental policy as per policy signed by Managing Director, Mr. Simon Ling Deing Ding dated 01.01.2018. Briefing on the policy has been conducted on 24.10.2018 as per training record "Taklimat Kesedaran Pengurusan Bahan Buangan Dalam Kilang".

Environmental management plan document has been established as per Document No: MSPO-06 Pelan Pengurusan Alam Sekitar dated 01.07.2018. Among the plan sighted such as:

1. Transporting of EFB to estate to be used as organic fertilizer.
2. Boiler station – Usage of remote monitoring system by DOE (CEMS).
3. Transporting of Decanter cake to estate to be used as organic fertilizer.
4. Schedule waste management by appointed PIC.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** The environmental management plan shall cover the following:  
a) An environmental policy and objectives;  
b) The aspects and impacts analysis of all operations.

**Summary** The mill has conducted Environmental Assessment as per document "Panduan Penilaian Kesan Aspek Alam Sekitar Untuk Kilang" dated 01.07.2018 covering all mill operations.

Seen the incorporated objectives are to keep the environment clean, safe, and healthy, to continue to promote the environment awareness in the daily activities and to

preserve of the environment the responsibility of everybody in the company. For significant environmental impact which the company has identified as high are accompanied with mitigation measures to reduce its impacts.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.

**Summary** Mitigation plan documented in document Panduan Penilaian Kesan Aspek Alam Sekitar Untuk Kilang dated 01.07.2018. Example plan and mitigation measures sighted:

1. Transporting of EFB to estate to be used as organic fertilizer.
2. Sighted weighbridge ticket issued by Pandewan POM dated 16.04.2019 (Recipient: Intent Harvest Sdn Bhd, Weight: 1,860 kg)
3. Boiler station – Usage of remote monitoring system by DOE (CEMS). Sighted monthly chart of stack monitoring (January 2019).

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 4** A programme to promote the positive impacts should be included in the continual improvement plan.

**Summary** The continual improvement plan has included program to promote positive impact to the environment such as:

1. Boiler smoke air-pollution control solution technology
2. Cake drier & sludge dewatering system with fertilizer plant
3. Biogas system for gas engine

Budget for the above plan has been included in Mill Budget 2019 Capital Expenditures.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 5** An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives and management plans and are working towards achieving the objectives.

**Summary** Program to promote positive impact is evident in document No: MSPO-06 (Prosedur Pelan Pengurusan Alam Sekitar EMP) Lampiran 3 Program Environment Monitoring Committee 2019. Example training plan to be conducted by the mill such as EFB and Decanter Cake Management, Shell and fiber management as boiler fuel source, Scrap iron management, Domestic waste management and Empty chemical container management training.

Sighted the training form complete with workers attendance and signatures, trainers, assessment column, remarks and pictures.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 6** Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.

**Summary** Environmental Committee has been established by the Management as per Organization Chart (Environmental Monitoring Committee) chaired by Mill Manager, Mr. Samsudin Gapor. Meetings conducted as per meeting minute dated (21.07.2018 and 23.10.2018). Sighted the training evaluation form complete with workers attendance and signatures, trainers, assessment column, remarks, and pictures.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 2 Efficiency of energy use and use of renewable energy**

**Indicator 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.

**Summary** Diesel monitoring for year 2019 has been established as per record "Diesel Consumption Budget vs Actual FY 2019). The list has included all operations in the mill which is consuming diesel such as:

1. Engine room
2. Shovel
3. Bobcat
4. Supervising vehicle (Hilux/DMAX)

Example records sighted during the audit:

Month	Diesel Consumption (Liter)	FFB Processed (MT)	Liter / MT
Jan '19	25,417	16,729.51	0.658
Feb '19	21,236	12,539.69	0.590
Mar '19	22,547	12,981.09	0.575

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.

**Summary** Estimation of energy and diesel usage for Pandewan Palm Oil Mill daily operations is documented in "Diesel Consumption Budget vs Actual FY 2019".

**In Compliance**  **Yes**  No  Not Applicable



**Indicator 3** The use of renewable energy should be applied where possible.

**Summary** The mill is currently using the empty fruit bunch as a fuel source for boiler. The mill has included a biogas system for gas engine in the 2019 budget.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 3 Waste management and disposal**

**Indicator 1** All waste products and sources of pollution shall be identified and documented.

**Summary** The mill management has established the Waste Management Procedure, ref no: MSPO-05, Rev: 0, Date: 1st July 2018. They have identified and documented the waste products and sources of pollution such as:

1. Empty fruit bunch
2. Fiber
3. Decanter cake
4. Scheduled waste (SW305, SW410, SW306)
5. Scrap iron
6. Kernel shell
7. Oil losses
8. Domestic waste

Domestic waste from mill housing area is transported to dedicated landfill once a week. Record is available as per "Buku Catatan Pembuangan Sampah 19/19". Landfill is situated in Block 11 in Pandewan Estate.

For scrap iron, record of sales to collector sighted during the audit. The material is sold to Bakti Engineering Work & Service as per weighbridge ticket No. 056636 dated 17.01.2019 (4,500 kg of Scrap Metal). Total weight sold for January 2019 was 22.52 MT.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:  
a) Identifying and monitoring sources of waste and pollution.  
b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

**Summary** Sighted the management plan for environment (ref no: MSPO-06, rev: 0, date: 1st July 2018), where the schedule waste included together in the plan. All EFB and Decanter Cake are transported to nearby estates to be used as organic fertilizer. Fiber is used as fuel for mill boiler.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** The palm oil mill 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. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.

**Summary** The mill management has established the standard operating procedure for used chemical, doc no: PP0M.SSOP.30.02.02, ref no: PPOM/OSH-SSOP, release no: 02, rev: 02, effective date: 26/03/2018. Record of SW sighted during the audit. All SW are then notified to DOE through ESWIS. Latest notification was done in March 2019. Sighted from visit to SW store, it is complete with concrete flooring and adequate ventilation. Safety signage has been properly displayed on the store wall.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 4** Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.

**Summary** Sighted the map location for landfill which was in Block 11, Pandewan Estate. Domestic waste from mill housing area is transported to dedicated landfill once a week. Record is available as per "Buku Catatan Pembuangan Sampah 19/19". Landfill is situated in Block 11 in Pandewan Estate.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 4 Reduction of pollution and emission including greenhouse gas**

**Indicator 1** An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

**Summary** Pollutants and greenhouse gas (GHG) emissions has been identified in waste management plan. Plans to reduce or minimize the identified pollutants and GHG emissions are also established. This plan includes target dates, person responsible and the current status. Mill identify and monitor all waste products and polluting activities resulting from mill activities such as scheduled and domestic waste such as POME, black smoke and etc.

The list of Palm Oil Mill wastes generated from mill operation includes empty fruit bunches (EFB), palm pressed fibres (PPF), palm shells, palm oil mill effluent palm (POME), particulate and soot emission and decanter cake. During site visit sighted there is no evidence of open burning in the mill premises and line sites.

Monitoring record done by mill sighted during the audit:

1. Activities of cyclone
2. Smoke density meter Calibration
3. Stack Emission Monitoring Report (Submission twice a year to DOE). Latest submission was in October 2018. Average Dust Emission Load for boiler no.1 was 0.314 within the required limit at 0.400 g/Nm<sup>3</sup>.
4. POME monitoring. Sighted Quarterly Return Form submitted to DOE.

GHG emission has been calculated using RSPO calculator.

**In Compliance**  **Yes**  No  Not Applicable





**Indicator 2** An action plan to reduce identified significant pollutants and emissions shall be established and implemented.

**Summary** Action plan has been documented in document no: MSPO-06 Prosedur Pengurusan Alam Sekitar.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations

**Summary** POME is treated by ponding system. POME record from flow meter reading. Final discharge quality sampling is conducted once a month by Dynakey Laboratories Sdn Bhd. Latest sampling as done in 21st March 2019 as per report No: 20190321/22A-22B. Results for final discharge sighted:

Parameter	Results	DOE Limits
pH	8.4 @ 25°C	N/A
COD	763	N/A
BOD	42	50 ppm
SS	130 mg/L	N/A
AN	2.5 mg/L	N/A
TN	57 mg/L	N/A
Oil & grease	2 mg/L	N/A
TS	5,260 mg/L	N/A

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 5 Natural water resources**

**Indicator 1** The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water).  
The water management plan may include:  
a) Assessment of water usage and sources.  
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.  
c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc).

**Summary** Plan documented in Document No: MSPO/WMP/18-01 (Water Management Plan), dated 01.07.2018.

Mill is using water for processing from Sg. Mesopo. The mill management is sending water samples for analysis by Dynakey Laboratories on monthly basis:  
1. Upstream Sg. Mesopo



2. Downstream Sg. Mesopo
3. Upstream Sg. Penawan
4. Downstream Sg. Penawan

Water for domestic use in mill quarters is from gravity flow. Samples have been sent for analysis by Pejabat Kesihatan Daerah Nabawan as per letter dated 22<sup>nd</sup> March 2019 (Ref: PKDN/199/KP/KMAM(MAL)/1. The letter stated that drinking water in mill quarters is complying with National Standard where content of E.coli is less than 5000 cfu/100ml.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.

**Summary** Raw POME produced flows into cooling pond prior entering the anaerobic and aerobic pond. The treated POME is then released through mill final discharge.

Final discharge record submitted to DOE on quarterly basis as per document First Schedule (Regulation 10 (2)).

**In Compliance**  **Yes**  No  Not Applicable

## 2.6 Principle 6: Best practices

### Criterion 1 Mill management

**Indicator 1** Standard operating procedures shall be appropriately documented and consistently implemented and monitored.

**Summary** The mill has implemented Good Milling Practice (GMP) as seen from visit to the mill and seen from the document and also interviewing the workers. The mill processed all FFB from internal and outside suppliers. Mill Capacity is 45 Mt/hr and sterilization by vertical sterilizer. Pandewan Palm Oil Mill Sdn Bhd established Standard Operating Procedure & Safety Operating Procedure, doc no: PPOM.SSOP.00.02.02, ref no: PPOM/OSH-SSOP, release no: 02, rev no: 02, enforcement date: 26/03/2018. Prepared by Mr. Wilder Joseph (Junior SHO), verified by Mr. Jamil Bin Jamal (Assistant Engineer) and approved by Mr. Samsudin Gapor (Mill Manager).

Person in charge will monitor the work flow and ensure all operations as per guided in the SSOP. As per sample for weighing station, the person in charge is Mrs. Zerafiani John. She will monitor CPO dispatch from the mill to refinery.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** All palm oil mills shall implement best practices.

**Summary** The mill has implemented the best practices and it was monitored by each person in charge. As for Clarification Station, the daily monitoring was done by Mr. Junior Goran, verified by Mr. Jamil Bin Jamal (Assistant Engineer) and approved by Mr. Samsudin Gapor (Mill Manager). Sighted Code of Good Practice Assessment Report, as it has been audited on 23<sup>rd</sup> January 2019 by MPOB officer.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 2 Economic and financial viability plan**

**Indicator 1** A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.

**Summary** Mill had an annual budget for the financial year 2019. The palm oil mill budget includes the projected FFB processed, CPO and PK production for 2019,

Sighted the business plan for the 2019.

Item	Mt	RM/MT	Revenue
FFB	210,000	385	80,850,000
CPO	45,150	2,200	99,330,000
Palm Kernel	9,450	1,700	16,065,000
Kernel Shell	7,350	110	808,500

It also incorporated item such as general charges, mill maintenance, process shift labor, general services, processing cost, fixed assets etc.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 3 Transparent and fair price dealing,**

**Indicator 1** Pricing mechanisms for the products and other services shall be documented and effectively implemented.

**Summary** The pricing mechanism was set by the top management at the headquarters. The price rate was documented in the contract agreement between Pandewan Palm Oil Mill Sdn Bhd and the Dinamik Semai Sdn Bhd.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.

**Summary** Sighted the tax invoice and payment voucher from Dinamik Semai Sdn Bhd for transportation services. The tax invoice was dated on 31/08/2018 mean while the payment voucher was made on 31/02/2019.

**In Compliance**  **Yes**  No  Not Applicable

**Criterion 4 Contractor**

**Indicator 1** In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.

**Summary** Pandewan Palm Oil Mill Sdn Bhd management has conducted a briefing to the respective contractor on 13<sup>th</sup> December 2018. Sighted contract agreement between PPOM and Dinamik Semai Sdn Bhd dated 1st March 2015, agreed between both parties.

**OBSERVATION:** However, there was no record on the briefing was made to the contractor. As sighted during Stage 2, contractor name: Décor Auto Service & Iron Works dated 26<sup>th</sup> January 2019, no evidence seen that contractor understand the MSPO requirements.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** The management shall provide evidence of agreed contracts with the contractor.

**Summary** Sighted the contract agreement between the Pandewan Palm Oil Mil Sdn Bhd and Dinamik Semai Sdn Bhd which was signed on 1<sup>st</sup> March 2015.

**In Compliance**  **Yes**  No  Not Applicable

**Indicator 3** The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.

**Summary** The management agreed and approved with the MSPO auditor by accepting the audit plan which was sent to the person in charge on 4<sup>th</sup> April 2019.

**In Compliance**  **Yes**  No  Not Applicable

## 2.7 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

- See Appendix B -

### Details of Noteworthy / Positive Findings

- 1) Interview with sampled workers revealed, the mill management impose strict control measure on safety compliances.
- 2) The storage facilities for schedule waste, chemical and POL well-constructed, proper signage clearly displayed, and emergency preparedness well implemented.
- 3) The mill management has demonstrated fully commitment during the entire audit process.
- 4) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 5) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 6) Good relationship being maintained with surrounding smallholders and villages.
- 7) Good positive feedback received from internal and external stakeholders.

## Appendix A: Audit Plan

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
15 <sup>th</sup> April 2019	TBA	➤ <b>Travelling from KUL – Kota Kinabalu, Sabah.</b>	FB	SP
16 <sup>th</sup> April 2019	08:00 – 09:00	➤ <b>Opening Meeting at Pandewan Palm Oil Mill Sdn Bhd:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).	FB	SP
	09:00 – 13:00	<b>Pandewan Palm Oil Mill Sdn Bhd (Mill)</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	FB	SP
	10:30 – 12:30	➤ <b>Centralize Stakeholder Consultation</b>	FB	SP
	13:00 – 14:00	➤ <b>Lunch</b>	FB	SP
	14:00 – 16:00	➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	FB	SP
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	FB	SP

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
17 <sup>th</sup> April 2019	08:00 – 13:00	<b>Pandewan Palm Oil Mill Sdn Bhd (Mill)</b> <ul style="list-style-type: none"> <li>➤ <b>Continue document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	FB	SP



	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Mill inspection:</b></li> <li>• Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, Mill Housing, Schedule Waste, POME and etc</li> </ul>	FB	SP
	13:00 – 14:00	<ul style="list-style-type: none"> <li>➤ <b>Lunch</b></li> </ul>	FB	SP
	14:00 – 15:00	<ul style="list-style-type: none"> <li>➤ Verify any outstanding issues and auditor discussion</li> </ul>	FB	SP
	15:00 – 16:00	<p><b>Closing Meeting at Pandewan Palm Oil Mill Sdn Bhd (Mill):</b></p> <ul style="list-style-type: none"> <li>➤ Chaired by the audit Lead Auditor</li> <li>• Welcome and introduction by the Lead Auditor</li> <li>• Presentation of findings by the audit team</li> <li>• Questions &amp; answers and Final summary by Lead Auditor</li> <li>➤ <b>End of assessment</b></li> </ul>	FB	SP





## Appendix B : Non-Conformity details

### Non-Conformities Identified During This Audit

<b>Major Nonconformities:</b>	Non-were raised during this audit.
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<b>Minor Nonconformities:</b>	Non-were raised during this audit.
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<b>Area of Concern:</b>	The following AOC was raised for this audit.
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<b>Company Name</b>	Pandewan Palm Oil Mill Sdn Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	MSPO Part 4: General Principles for Palm Oil Mills			
<b>Client Number</b>	GGC-N1-MSPO-2019			
<b>NC No. / Ref.</b>	N1/MSPO/AOC/01	<b>Date Detected</b>	17 <sup>th</sup> April 2019	
<b>Site(s) concern</b>	Pandewan POM	<b>Target Completion</b>	-	
<b>Normative Reference and Requirement</b>	4.6.4.1 In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.			
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	No evidence sighted during audit			
<b>NC Objective Evidence:</b>				
<p>Pandewan Palm Oil Mill Sdn Bhd management has conducted a briefing to the respective contractor on 13<sup>th</sup> December 2018. Sighted contract agreement between PPOM and Dinamik Semai Sdn Bhd dated 1<sup>st</sup> March 2015, agreed between both parties. However, there was no record on the briefing was made to the contractor.</p> <p>As sighted during Stage 2, contractor name: Décor Auto Service &amp; Iron Works dated 26<sup>th</sup> January 2019, no evidence seen that contractor understand the MSPO requirements.</p>				
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>		
				



## Appendix C: List of Stakeholders Contacted

### Attendance List

#### Internal Stakeholders

- 1) Pandewan POM management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

#### External Stakeholders

- 1) Mr. Ackly Lahoi – FELCRA Manager
- 2) Mr. George Kilimun – Villager
- 3) Mr. King Yun Tiaw – Villager
- 4) Mr. Sim Sian Lye
- 5) Mrs. Fatima Okk Sigoh – Villager (Kapapan)
- 6) Mr. Adurus Bin Sisom – Villager (Pandiwan)
- 7) Mr. Veorn Mc Daren Albinus – Villager (Pandiwan)