

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

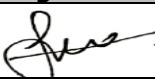

### CERTIFICATION AUDIT REPORT


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

Glenealy Plantations Sdn Bhd  
Sabah Region Complex

-Group Certification-

MAIN ASSESSMENT AUDIT  
12<sup>th</sup> November 2018

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	17/01/19	Issued as Draft Report	Mohamad Fitri Mustafa	Lead Auditor	
B	02/02/19	Issued as Final Report	Mohamad Fitri Mustafa	Lead Auditor	

Acknowledgment by Glenealy Plantations Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	06/02/2019	Acceptance of the contents	Mr. Muhammad Yaw Abdullah	Senior Manager (Plantations)	

#### **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 **Glenealy Plantations Sdn Bhd, Sabah Region Complex [Mill & Estates]**. During this **Main Assessment Audit**, the audit team were briefed by **Mill Manager**, of the supply base disposition. The source of FFB supplies to **Timora POM (Palm Oil Mill)** are from their own estates [**Timora Estate, Amalania Koko Berhad (AKB) Estate and Pertasa Estate**].

This assessment was conducted onsite on **12<sup>th</sup> November 2018** 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>	Glenealy Plantations Sdn Bhd
<b>Business Address</b>	Pertasa Estate, Locked Bag No. 22, 91109 Lahad Datu, Sabah
<b>Contact Person</b>	Mr. Muhammad Yaw Abdullah
<b>Office Telephone</b>	+60-89-577011 / +60-89-867010
<b>E-Mail</b>	<a href="mailto:muhdyaw@gmail.com">muhdyaw@gmail.com</a>

### 1.3 Certification Unit

<b>Name of the Certification Unit</b>	Timora Palm Oil Mill				
<b>Mill Capacity (MT/HR)</b>	60				
<b>Site Address</b>	Timor Enterprises Sdn Bhd, Timora Palm Oil Mill, Locked Bag No.22, 91109 Lahad Datu, Sabah.				
<b>GPS Reference of the site office</b>	<table border="0"> <tr> <td><b>Latitude</b></td> <td>N 5.304724</td> </tr> <tr> <td><b>Longitude</b></td> <td>E 118.340076</td> </tr> </table>	<b>Latitude</b>	N 5.304724	<b>Longitude</b>	E 118.340076
<b>Latitude</b>	N 5.304724				
<b>Longitude</b>	E 118.340076				



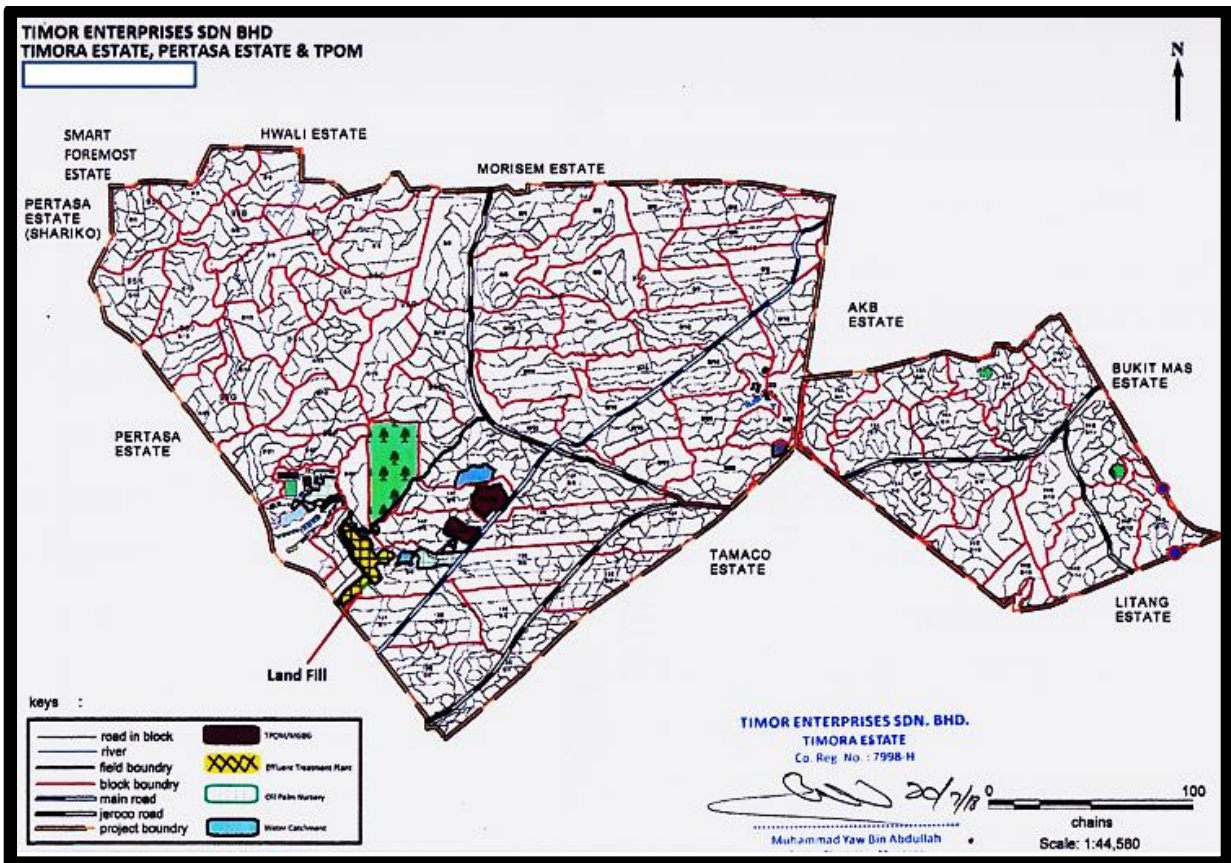
<b>MPOB License Information</b>	<b>License No.</b>	500274804000
	<b>Scope of Activity</b>	1.Sell and distribute PK, CPO and SPO. 2.Purchase and distribute FFB. 3.Store PK, CPO and SPO. 4.Manufacture/Process FFB.
	<b>Expiry Date</b>	31 <sup>st</sup> January 2019

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

**Sabah Region Complex [Mill]**

**[Timora Palm Oil Mill]**



**1.5 Production Area, Actual and Projected FFB Production (MT)****Production for Certified Unit**

<b>Timora POM</b>	<b>Projected from last audit</b>	<b>Actual Production for 12 Months [Oct 2017-Sept 2018]</b>	<b>Projected Production for next 12 Months [Oct 2018-Sept 2019]</b>
FFB Summary (MT)	NIL	144,955.27	150,759.00
CPO Summary (MT)	NIL	33,108.88	35,562.00
PK Summary (MT)	NIL	7,084.05	7,731.053

# FFB's Own Estates

**Production for Uncertified Unit**

<b>Timora POM</b>	<b>Projected from last audit</b>	<b>Actual Production for 12 Months [Oct 2017-Sept 2018]</b>	<b>Projected Production for next 12 Months [Oct 2018-Sept 2019]</b>
FFB Summary (MT)	NIL	8,252.40	12,000.00
CPO Summary (MT)	NIL	NIL	NIL
PK Summary (MT)	NIL	NIL	NIL

**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-GPSBG001-MSPO-00-2019

**Initial certificate issued date**31<sup>st</sup> Jan 2019**Certificate expiry date**30<sup>th</sup> Jan 2024

<b>Stage 1 assessment date</b>	4 <sup>th</sup> September 2018
<b>Stage 2 / Main Assessment</b>	12 <sup>th</sup> November 2018
<b>Annual Surveillance 1 [ASA 1]</b>	January 2020
<b>Annual Surveillance 2 [ASA 2]</b>	January 2021
<b>Annual Surveillance 3 [ASA 3]</b>	January 2022
<b>Annual Surveillance 4 [ASA 4]</b>	January 2023

## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** Mohamad Fitri Mustafa

Graduate in degree of agribusiness with more than 8 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in ISCC and MSPO auditing since September 2017. Qualified as Lead Auditor/Auditor for MSPO, RSPO and ISO 9001. Completed and certified MSPO Auditor course in 2018 held by SGS (M) Sdn Bhd. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** Muhammad Syafiq bin Abd Razak

Graduate in plantation management with more than 7 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Fully trained in similar agriculture certification programs such as RSPO, SCCS, MSPO and etc. Qualified as Lead Auditor/Auditor in several certification programme. Involved in RSPO and MSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia, Indonesia, Australia, Pakistan, Arab Saudi and Ivory Coast. Completed and certified MSPO Auditor course in 2014 (3rd Batch) held by MPOB. Member of GGC MSPO audit team.

Experienced in handling mineral and peat soil oil palm estate. Knowledgeable in chemical in control of weeds and pest & disease in Oil Palm Plantation sector. Understanding in Industrial relation and labour law. Attended OSH Act 1994 & Regulations and Factories & Machinery Act 1967 & Regulations Training. Participated in Workshop for Oil Palm Growers on Peat at Bogor, Indonesia. Completed and attended Social Impact Assessment Training at Bogor, Indonesia organized by Remark Asia. Also, has attended training for RSPO GHG calculation on year 2015 in Kuala Lumpur.

During this assessment, he assessed on the aspect of Transparency, Legal, Safety and Health, Social, Stakeholder's Consultation, Workers Welfare, Environment and etc. He is able to speak and understand Bahasa Malaysia and English.

## Auditor

### Name: Surenthiran Panneerselvam

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. Able to communicate in both English and Bahasa Malaysia (written and spoken).

## 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 "**Timora POM**".

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>	12 <sup>th</sup> November 2018
<b>Name of site(s) visited</b>	Timora POM
<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	1	Closed - No action requires
Minor Nonconformities	0	No action requires
Area of Concern	1	No action requires
Noteworthy /Positive Comments	5	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, the stakeholder consultation shall be carried out in stage 2 and recertification audit cycle of the management unit.

The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as others aspects that they considered could be improved. However, in surveillance audit, the consultation may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. The comments were verified with the mill management before incorporating into the assessment findings. The participants were represented of internal and external stakeholder namely from local communities, government agencies, workers and etc.

Generally, no complaint or negative feedback received during the consultation besides many remarks of significant improvements in the aspect of environment, social and safety. There were also positive statements made by the participants on the effect of MSPO implementation to the society. Salary for all workers are in accordance to minimum wages as stipulated in the Employment Act.

GGC has published the public notification on 8<sup>th</sup> **October 2018** through GGC website as per following link: <https://www.ggc.my/>.

The details are 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.	Stakeholders A (Jabatan Tenaga Kerja)	<ul style="list-style-type: none"> <li>Good understanding about MSPO.</li> <li>Estate management must get a permit from Jabatan</li> </ul>	No action requires	Positive findings



		Tenaga Kerja before deducting the worker's salary.		
2.	Stakeholders B (ASP IPD Laad Datu)	<ul style="list-style-type: none"> <li>The officer reminded the management not to engage or hire worker with no permit. He also mentioned that the employer shall alert on the expiry date of their worker's permit.</li> <li>Up to now, no complaint about drug abuse among the workers reported.</li> </ul>	No action requires	Positive findings
3.	Stakeholders C (Wildlife Department)	<ul style="list-style-type: none"> <li>Using of netting in controlling Rhinoceros beetle is not allowed as it will trap other species too.</li> <li>Hunting license only allowed a hunter to catch only 2 wild boars within 4 days.</li> <li>Possessing a wild bird is a crime and the person who possess it must get a permit before it.</li> <li>It is also advisable that the bird owner to undergo</li> </ul>	No action requires	Positive findings
4.	Stakeholder D (Nearby Estate)	<ul style="list-style-type: none"> <li>Biomass (oil palm chipping) waste from estate has got into the river which give effect to the neighbouring area (other estate).</li> </ul>	No action requires	Positive findings
5.	Stakeholder E (Contractors)	<ul style="list-style-type: none"> <li>No complaint on the estate management. Payments term are good.</li> </ul>	No action requires	Positive findings

## 1.12 Recommendation

The company has established Sustainability Manual for policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of **Timora POM. 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. There was no complaint or feedback received during this Main Assessment Audit.

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by qualified panel reviewers. During this Main Assessment (Stage 2) Audit **MS 2530-4:2013**

**Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mills**, **1** major non-conformity and **1** area of concern has been raised to the facilities that being audited. Please refer to Appendix B, non-conformity table for details. The major non-compliances was closed on **29<sup>th</sup> December 2018** after submission of corrective action by the Mill Manager. The verification audit assessment carries out is evident and therefore these major non-compliance is closed.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted with closed the major non-conformity findings. Therefore, the Lead Auditor recommends to award the certificate of **MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills** to **Timora 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
GPSB	Glenealy Plantations 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



