

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

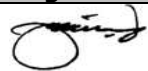


CERTIFICATION AUDIT REPORT


Part 4: General Principles for Palm Oil Mills

Kilang Sawit Panji Alam Sdn Bhd

- Individual Certification -

ANNUAL SURVEILLANCE AUDIT 01
11th August 2020 – 12th August 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	02/11/2020	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	15/11/2020	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	26/11/2020	Final Report Approved	Md. Jefri bin Shara'ai	Certifier	

Acknowledgment by Kilang Sawit Panji Alam Sdn Bhd					
Rev	Date	Description	Management Representative	Role	Signature
B	26/11/2020	Acceptance of the contents	Mr. Fazlin bin Baharuddin	Chief Executive Officer	

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 Kilang Sawit Panji Alam Sdn Bhd. During this Annual Surveillance Audit (ASA 1), the audit team were briefed by mill management, of the supply base disposition. The source of FFB supplies to Kilang Sawit Panji Alam Sdn Bhd are from out-grower and other smallholders.

This assessment was conducted onsite on 11th August 2020 – 12th August 2020 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

Company Name	Kilang Sawit Panji Alam Sdn Bhd
Business Address	Bandar Seri Bandi, 24200 Kemaman, Terengganu, Malaysia.
Contact Person	Mr. Fazlin bin Baharuddin
Office Telephone	+609 8676269
E-Mail	kspasb@yahoo.com

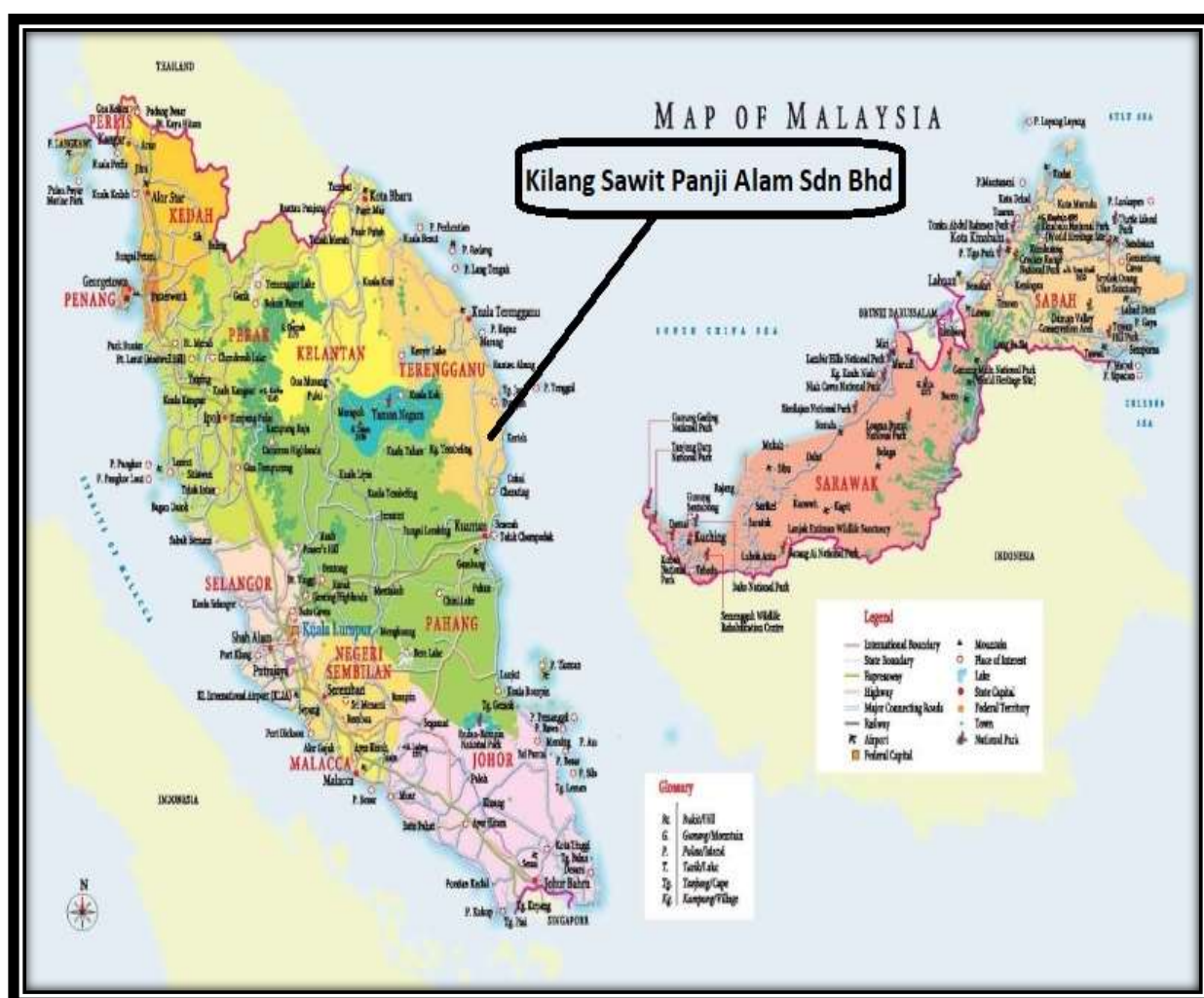
1.3 Certification Unit

Name of the Certification Unit	Kilang Sawit Panji Alam Sdn Bhd		
Mill Capacity (MT/HR)	60		
Site Address	Bandar Seri Bandi, 24200 Kemaman, Terengganu, Malaysia.		
GPS Reference of the site office	Longitude	E 103.349524	
	Latitude	N 4.376817	
MPOB License Information	License No.	500068104000	

	<p>Scope of Activity</p> <p>Expiry Date</p>	<ol style="list-style-type: none"> 1. "Menjual dan mengalih FFB, PK, CPO, & SPO" 2. "Membeli dan mengalih FFB, PK, CPO" 3. "Menyimpan PK, CPO & SPO" 4. "Mengilang FFB" <p>31st January 2021</p>
<p>Others Sustainability Certification</p>	<p>NIL</p>	

1.4 Map Showing Geographical Location

1) Kilang Sawit Panji Alam Sdn Bhd – Peninsular Malaysia



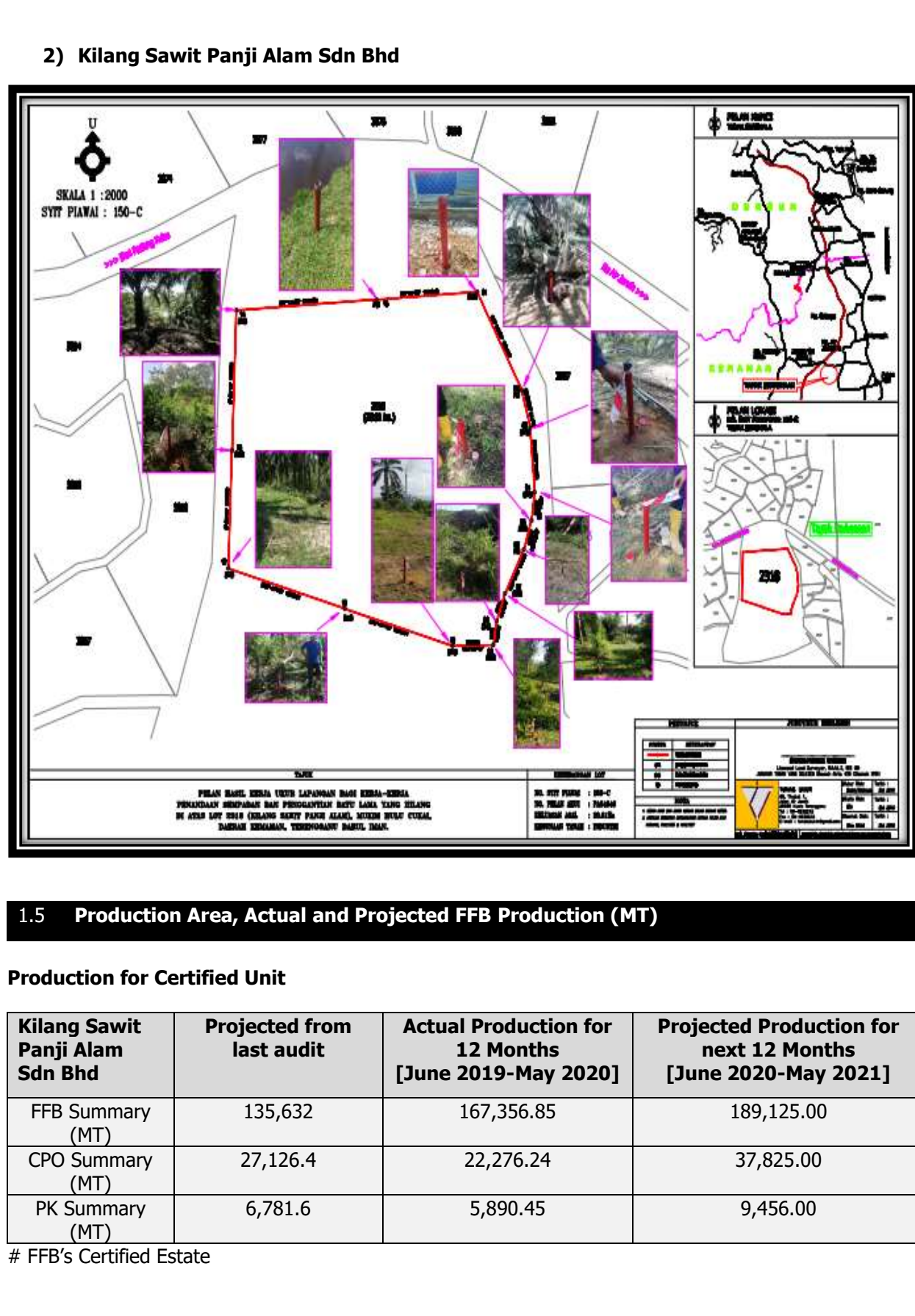
2) Kilang Sawit Panji Alam Sdn Bhd

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

Production for Certified Unit

Kilang Sawit Panji Alam Sdn Bhd	Projected from last audit	Actual Production for 12 Months [June 2019-May 2020]	Projected Production for next 12 Months [June 2020-May 2021]
FFB Summary (MT)	135,632	167,356.85	189,125.00
CPO Summary (MT)	27,126.4	22,276.24	37,825.00
PK Summary (MT)	6,781.6	5,890.45	9,456.00

FFB's Certified Estate



2) Kilang Sawit Panji Alam Sdn Bhd

SKALA 1:2000
SYT PIAWAI: 150-C

PELAN HAJAT KERAH UTUH LAPANGAN BANG KERAH-KERHA
PERKAKAAN BERKAWAN DAN PERKAWANAN BANG LAMA YANG KELANG
DI ATAS LAY KERAH (KILANG SAKTI PANJI ALAM, MUKIM BUKIT CUAL,
DAERAH KEMAMAN, TERENGGANU BARU, MALAYSIA)

NO. SYT PIAWAI: 150-C
NO. PELAK HAJAT: 150-000
KILANG SAKTI: 150-000
KILANG SAKTI: 150-000

PRODUK	PRODUKSI
FFB	167,356.85
CPO	22,276.24
PK	5,890.45

PRODUK	PRODUKSI
FFB	189,125.00
CPO	37,825.00
PK	9,456.00

FFB's Certified Estate

2) Kilang Sawit Panji Alam Sdn Bhd

SKALA 1:2000
SYT PIAWAI: 150-C

PELAN HAJAT KERAH UTUH LAPANGAN BANG KERAH-KERHA
PERKAKAAN BERKAWAN DAN PERKAWANAN BANG LAMA YANG KELANG
DI ATAS LAY KERAH (KILANG SAKTI PANJI ALAM, MUKIM BUKIT CUAL,
DAERAH KEMAMAN, TERENGGANU BARU, MALAYSIA)

NO. SYT PIAWAI: 150-C
NO. PELAK HAJAT: 150-000
KILANG SAKTI: 150-000
KILANG SAKTI: 150-000

PRODUK	PRODUKSI
FFB	167,356.85
CPO	22,276.24
PK	5,890.45

PRODUK	PRODUKSI
FFB	189,125.00
CPO	37,825.00
PK	9,456.00

FFB's Certified Estate

[illegible]

2) Kilang Sawit Panji Alam Sdn Bhd

SKALA 1:2000
SYT PIAWAI: 150-C

FFB Summary (MT): 135,632
CPO Summary (MT): 27,126.4
PK Summary (MT): 6,781.6

Actual Production for 12 Months [June 2019-May 2020]:
FFB Summary (MT): 167,356.85
CPO Summary (MT): 22,276.24
PK Summary (MT): 5,890.45

Projected Production for next 12 Months [June 2020-May 2021]:
FFB Summary (MT): 189,125.00
CPO Summary (MT): 37,825.00
PK Summary (MT): 9,456.00

FFB's Certified Estate

Production for Uncertified Unit

Kilang Sawit Panji Alam Sdn Bhd	Projected from last audit	Actual Production for 12 Months [June 2019-May 2020]	Projected Production for next 12 Months [June 2020-May 2021]
FFB Summary (MT)	66,023	48,035.38	23,039.00
CPO Summary (MT)	13,204.6	20,554.71	4,608.00
PK Summary (MT)	3,301.15	4,927.31	1,152.00

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

Assessment standard

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

Certificate number

GGC-KSPA001-MSPO-01-2019

Initial certificate issued date

28th June 2019

Certificate expiry date

27th June 2024

Stage 1 assessment date

11th April 2019

Stage 2 / Main Assessment

31st May 2019

Annual Surveillance 1 [ASA 1]

11th August 2020 – 12th August 2020

Annual Surveillance 2 [ASA 2]

April 2021

Annual Surveillance 3 [ASA 3]

April 2022

Annual Surveillance 4 [ASA 4] April 2023**1.7 Qualification of the Lead Assessor and Assessment Team****Lead 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, India, 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 Legal Requirements, Safety and Health, Social, Stakeholder's Consultation, Workers Welfare, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English

Auditor**Name:** **Mohd Azmi Samynathan bin Abdullah**

He holds Master's in Business Administration. More than 20 years working experience several industries mostly on HR Management. Have experience in second- and third-party auditing system. Fully trained in ISO9001:2008 (Quality Management System) Lead Auditor Course and successfully completed Malaysian Sustainable Palm Oil (MSPO) Auditor Training course (MPOCC endorsed). Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Management commitment & responsibilities, Transparency and Environment, Natural Resources, Biodiversity and Ecosystem Services. 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 "Kilang Sawit Panji Alam Sdn Bhd".

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.

With reference to the 1st Federal Government Gazette (9th June 2020), Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020, Certification for Agri Commodities was not included in prohibited activities.

Majlis Keselamatan Negara (MKN) had issued the 1st Standard Operating Procedure for "Persijilan bagi Agrokomoditi" dated 12th June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

Refer to Circular for Malaysian Sustainable Palm Oil (MSPO) Certification Scheme in lieu of Covid 19 Outbreak issued by MPOCC, MPOCC will be allowing the postponement of field audit activities up to 3 months to support government directives to mitigate the spread of the disease. This facility has expired the annual audit period on 27th June 2020.

1.9 Audit Plan Information

Audit Date	11 th August 2020 – 12 th August 2020
Name of site(s) visited	Kilang Sawit Panji Alam Sdn Bhd
Total number of man-days spent	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	2	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, 01st 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.

During this Annual Surveillance Audit (ASA 1), 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 estate 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.	Stakeholders A (General Workers)	<ul style="list-style-type: none"> • Good understanding about MSPO. • They are very happy with the management and hopes to extend their contract. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. • They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1, 200.00 per month and no issue on wages received as well as the deductions made. 	No action requires	Positive findings
1.	Stakeholders B (Workshop)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They have good understanding about complaint and grievance mechanism. 	No action requires	Positive findings

		<ul style="list-style-type: none"> • PPE given by company – free. • They were treated equally with no discrimination based on gender. • They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1, 200.00 per month and understand all the deductions being made. 		
3.	Stakeholders C (Contractors/ Suppliers)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. • They were aware that any complaints or suggestions could be forwarded to the estate management. • The company has good relation with supplier and there is no issue with company's performance. 	No action requires	Positive findings
4.	Stakeholders D (Estate - Gender Committee Representatives)	<ul style="list-style-type: none"> • There was no discrimination, sexual harassment or violence case reported thus far. • The Management is quite supportive on the Committee activities. 	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 Kilang Sawit Panji Alam Sdn Bhd. Chief Executive Officer 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 Annual Surveillance Audit (ASA 1).

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During Annual Surveillance Audit (ASA 1), based on MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles For Palm Oil Mills, there were 2 area of concerns have 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 to continuing a certificate of compliance "MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles For Palm Oil Mills" to Kilang Sawit Panji Alam Sdn Bhd.

1.13 Date of Next Surveillance Audit

The first annual surveillance assessment visit will be scheduled after 9-12 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 Kilang Sawit Panji Alam Sdn Bhd has established MSPO Policy named "Polisi Minyak Sawit Lestari Malaysia (MSPO)", signed and approved by Mr. Fazlin Bin Baharuddin, Chief Executive Officer dated 29th January 2018.

The policy has indicated commitment to implementation of MSPO and commitment towards sustainable production of palm oil. This is clearly stated in Para 1 and Para 9 respectively

The policy was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.

The details of the said meeting are as follows:

- 1) External Stakeholder Meeting
Meeting Title: External Stakeholders' Meeting
Date: 2nd September 2019 & 17th September 2019
Time: 8.30 am
Venue: Bilik Mesyuarat, Lembaga Kemajuan Terengganu Tengah (KETENGAH), Bandar Seri Bandi
Attendance: 38 persons & 32 persons
- 2) Internal Stakeholder Meeting
Meeting Title: MSPO Sustainability and SCCS Training
Date: 1st February 2020
Time: 8.00 am
Venue: Perkarangan Pejabat Kilang Sawit Panji Alam
Attendance: 32 persons

Sighted meeting minutes and photographs of the said meeting

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 Kilang Sawit Panji Alam Sdn Bhd has established MSPO Policy named "Polisi Minyak Sawit Lestari Malaysia (MSPO)", signed and approved by Mr. Fazlin Bin Baharuddin, Chief Executive Officer dated 29th January 2018.

The policy has indicated commitment to implementation of MSPO and commitment towards sustainable production of palm oil. This clearly stated in the following paragraphs in the said policy.

- Para 1
 - "KISPA akan berusaha mengamalkan Standard Minyak Sawit Lestari Malaysia (MSPO) untuk pengeluaran produk kelapa sawit berkualiti yang lestari di Malaysia"
- Para 9
 - "Pengurusan KISPA komited ke arah penambahbaikan berterusan dan keterbukaan di dalam aktiviti pengeluaran minyak sawit lestari".

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 Kilang Sawit Panji Alam Sdn Bhd has established Internal Audit Procedure named "Prosedur Audit Dalaman" Ref No: MSPO: KISPA/SOP/IA/2018 dated 01.10.2018, prepared by En. Syukri Bin Salim, Assistant Manager and approved by Mr. Fazlin Bin Baharuddin, Chief Executive Officer.

The internal audit is carried out on an annual basis.

Internal audit for the 2020 was conducted on 4th July 2020 by Tn Hj Abdul Aziz bin Abu Bakar Mohammad (Lead Auditor) and En Faruq bin Norazman who are consultants from Bio-Angle Green Sdn Bhd who were appointed by the management of Kilang Sawit Panji Alam Sdn Bhd.

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.
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Summary Kilang Sawit Panji Alam Sdn Bhd has established Internal Audit Procedure named "Prosedur Audit Dalaman" Ref No: MSPO: KISPA/SOP/IA/2018 dated 1/10/2018, prepared by En. Syukri Bin Salim, Assistant Manager and approved by Mr. Fazlin Bin Baharuddin, Chief Executive Officer.

Sighted MSPO Internal Audit Report dated 9th July 2020 prepared by Tn Hj Abdul Aziz bin Abu Bakar bin Mohammad and En Faruq bin Norazman, who are consultants from Bio-Angle Green Sdn Bhd appointed by KISPA.

During the Internal Audit, twenty (20) Non-Conformities were raised.

Given below are some sampled non-conformities raised and closed.

NO	NON-CONFORMITIES	STATUS
1	List of Confidential and No-Confidential Management documents were established. However, it is recommended to add column to indicate when the files were established and updated. File on SOP on Control and Prevention of Corvid 19 was not included yet.	Closed
2	DOE License expired during Audit	Closed
3	List of Laws and Regulations that are applicable to the Mill has been established and properly documented during audit time. However, some regulations were not listed in the list i.e. I. Occupational Safety & Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations. ii.Environmental Quality Act (Schedule Waste Regulations) 2005	Closed
4	Estimated consumption of Non- Renewable Energy was not sighted during Audit	Closed

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Sighted MSPO Internal Audit Report dated 9th July 2020 prepared by Tn Hj Abdul Aziz Abu Bakar bin Mohammad and En Faruq bin Norazman, who are consultants from Bio-Angle Green Sdn Bhd appointed by KISPA. The report is available for Management to review and being responded in timely manner.

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 Due to the implementation of MCO (March 2020 until August 2020) by the Government to Curb the Covid 19 pandemic, KISPA was unable to conduct the Internal Audit as planned. As such the internal Audit was conducted on 4th July 2020.

Owing to the above, the Audit report was completed on 9th July 2020. Further, as per the Internal Audit Procedure, the timeline to close the Non-Conformance is sixty (60) days, KISPA is in the process of closing the Non-Conformance. As at the time of audit all Non-Conformance were closed.

Due to the delay, KISPA was unable to conduct the Management Review on time.

As per interview with En. Syukri Bin Salim, Assistant Manager the Management Review for 2020 is scheduled to be conducted on 15th August 2020. Sighted the memo for the said meeting which has been distributed to the members via email.

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 Sighted the Continuous Improvement Plan for the year 2020 focusing on Environment, Occupational Safety & Health and Operations dated 1st January 2020 prepared by En Syukri bin Salim, Assistant Manager and approved by Mr. Fazlin Bin Baharuddin, Chief Executive Officer.

Given Below are some sampled Improvement Plan by KISPA

NO	TYPE OF IMPROVEMENT	PIC	TARGET DATE
1	Modification of Palm Oil Mill Effluent to reduce Bio Oxygen Demand (BOD) (Environmental)	Asst Manager	June 2020 (Completed)
2	Implementation of Total Preventive Maintenance (Occupational Safety & Health)	Asst Manager	December 2020
3	Mill Upgrading (Tilting Sterilizer) to produce high quality oil (Operations)	CEO	June 2022

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 KISPA has installed new machineries and systems to increase the capacity of the mill. Given below are the machineries installed and system implemented.

- i. Decanter c/w installation
- ii. Increase Boiler Capacity complete with wet scrubber.

As per interview with En. Syukri Bin Salim, Assistant Manager the above improvement plans were approved by Board of Directors vide Meeting which was held on 30th May 2019.

Sighted letter of award of contract to the following contractors as proof to carry out the implementation of the above improvement.

Given below are the details of the contractors.

- 1) DECANTER INSTALLATION
Alfa Laval Malaysia Sdn Bhd,
Lot No 4, Jalan Anggerik Mokara 31/54,
Kota Kemuning, Seksyen 31,
40460 Shah Alam, Selangor.
- 2) BOILER INSTALLATION
Boilermech Sdn Bhd,
Lot 875, Jalan Subang 8,
Taman Perindustrian Subang,
47620 Subang Jaya, Selangor.

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 Kilang Sawit Panji Alam Sdn Bhd has established Stakeholders Consultation and Communication Procedure named "Prosedur Komunikasi" Ref No: KISPA/SOP/COMM/01/2018, Bil: 1, dated 2nd July 2018 prepared by Mr. Syukri bin Salim, Assistant Manager and approved by Mr. Fazlin bin Baharuddin, Chief Executive Officer.

The procedure was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.

The details of the said meeting are as follows:

- 1) External Stakeholder Meeting
Meeting Title: External Stakeholders' Meeting
Date: 2nd September 2019 & 17th September 2019
Time: 8.30 am
Venue: Bilik Mesyuarat, Lembaga Kemajuan Terengganu Tengah (KETENGAH), Bandar Seri Bandi
Attendance: 38 persons & 32 persons
- 2) Internal Stakeholder Meeting
Meeting Title: MSPO Sustainability and SCCS Training
Date: 1st February 2020

Time: 8.00 am
 Venue: Perkarangan Pejabat Kilang Sawit Panji Alam
 Attendance: 32 persons

Sighted meeting minutes and photographs of the said meeting.

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 Kilang Sawit Panji Alam Sdn Bhd has established the list of documents which are Publicly Available (Non-Confidential) and Not Publicly Available (Confidential) documents named "Senarai Dokumen Pengurusan" Ref No: KISPA/SENARAI/DP/01/2018 Bil: 1 dated 5th August 2018. The documents were prepared by En Syukri bin Salim, Assistant Manager and approved by Mr. Fazlin bin Baharuddin, Chief Executive Officer.

Given below are some sampled Confidential and Non-Confidential documents

CONFIDENTIAL DOCUMENTS

NO	DOCUMENT	STATUS
1	Tender Besi Buruk	Confidential
2	Fail peribadi Kakitangan KISPA	Confidential
3	Domestic Inquiry	Confidential
4	Tax Invoices	Confidential
5	Management Accounts	Confidential
6	Staff Wages ListingBuku Rekod Kontrak Minyak. Kernel, Bunch Ash,Shell, Fibre and Sludge Oil	Confidential

The company has listed a total of 49 documents as Confidential.

NON-CONFIDENTIAL DOCUMENTS

NO	DOCUMENT	STATUS
1	Laporan Suku Tahun	Non-Confidential
2	Hearing Test	Non-Confidential
3	MPOB Monthly Report	Non-Confidential
4	Surat Menyurat Polis/Bomba	Non-Confidential
5	KWSP Caruman Bulanan	Non-Confidential
6	Machinery Inspection Report	Non-Confidential

The company has listed a total of 93 documents as Non-Confidential

KISPA has established the "Prosedur Permintaan Dokumen" Ref No: KISPA/PD/01/2018 Bil: 0 dated 17th September 2018. The document was prepared by En Syukri bin Salim, Assistant Manager and approved by Mr. Fazlin bin Baharuddin, Chief Executive Officer.

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 Kilang Sawit Panji Alam Sdn Bhd has established Stakeholders Consultation and Communication Procedure named "Prosedur Komunikasi" Ref No: KISPA/SOP/COMM/01/2018, Bil: 1, dated 2nd July 2018 prepared by Mr. Syukri bin Salim, Assistant Manager and approved by Mr. Fazlin bin Baharuddin, Chief Executive Officer.

The procedure was communicated to all management staff, internal and external stakeholders as part of implementation process via stakeholders meeting.

The details of the said meeting are as follows:

- 1) External Stakeholder Meeting
Meeting Title: External Stakeholders' Meeting
Date: 2nd September 2019 & 17th September 2019
Time: 8.30 am
Venue: Bilik Mesyuarat, Lembaga Kemajuan Terengganu Tengah (KETENGAH), Bandar Seri Bandi
Attendance: 38 persons & 32 persons
- 2) Internal Stakeholder Meeting
Meeting Title: MSPO Sustainability and SCCS Training
Date: 1st February 2020
Time: 8.00 am
Venue: Perkarangan Pejabat Kilang Sawit Panji Alam
Attendance: 32 persons

Sighted meeting minutes and photographs of the said meeting

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).
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Summary The management has appointed En Mustaffa bin Ismail as the person in-charge of Transparency vide letter dated 15th July 2018 approved by Mr. Fazlin bin Baharuddin, Chief Executive Officer.

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 KISPA has established the internal and external stakeholders list Ref No: KISPA/SENARAI/SH/01/2018 dated 9/7/2018 prepared by En Syukri bin Salim, Asst Manager and approved by Mr. Fazlin bin Baharuddin, Chief Executive Officer.

Given below are some sampled internal and external stakeholders list

INTERNAL STAKEHOLDERS

NAME	DESIGNATION
Rahimatul Akmal bt Abd Rahman	Sr Executive
Mohd Nafi bin Hussin	Store Clerk
Nazmi bin Abdul Ghani	Supervisor
Yusof bin Abd Ghani	Lab Assistant
Osman bin Razali	Boilerman
Abd Razak bin Dagang	Fitter
Abdullah bin Saari	Operator
Abu Bakar bin Shafie	Operator
Ali bin Ismail	Operator

Internal stakeholders - Total internal Stakeholders 120 persons

EXTERNAL STAKEHOLDERS

NAME
Lembaga Kemajuan Terengganu Tengah
Jabatan Tenaga Kerja Cawangan Kemaman
Klinik Kesihatan Seri Bendi
Pejabat KWSP Cawangan Kemaman
Ladang Ketengah
Koperasi Polis Terengganu Berhad
Santong Sawit Sdn Bhd
En Zulkarnain bin Hussain (Pekebun Kecil)
Marzuki bin Mokhtar (Pekebun Kecil)
Tan Beng Chuang (Pekebun Kecil)
Tan Li Chin (Pekebun Kecil)

Total internal Stakeholders 168 numbers

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

KISPA has established Traceability Procedure Ref No: KISPA/TP/01/2018 Bil: 1 dated 1st February 2018 prepared by En Syukri bin Salim, Assistant Manager and approved by Mr. Fazlin bin Baharuddin, Chief Executive Officer.

The Traceability procedure covers three (3) areas namely

- a. Penerimaan Buah Tandan Segar
- b. Penghantaran Minyak Sawit Mentah
- c. Penghantaran Isirong Sawit.

Sampled document which records the following information for during transportation of CPO to the refinery for Traceability

1. Weighbridge ticket
 - Serial no: 080001
 - Date: 7th July 2020
 - Nett Weight: 35870 kg
 - Lori Registration No: JQX 7501
 - Mewaholeo Industries Sdn Bhd
2. Delivery Order
 - DO No PO: 31437
 - Contract no: KISPO20036-07
 - Deliver To: Mewaholeo Industries Sdn Bhd
 - Ref No: MPCPO 134106
 - Driver's Name: En Jaafar Abd Rashid
 - Lorry No: JQX 7501
3. Standard Procurement System form from MPOB
 - Verification of buyer and seller endorsed by MPOB. (Borang MPOB L3)
4. Receiving note from buyer
 - Serial No: 8681000024941
 - Vendor: Kilang Sawit Panji Alam
 - Loading amount: 40140 kg
 - Driver's Name: En Jaafar Abd Rashid
 - Lorry No: JQX 7501

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary

The mill management use a daily monitoring record to conduct regular inspection of the traceability system. Sighted Borang Rekod Harian, prepared by weighbridge clerk and verified by the Executive in- charge and section head of Admin Department.

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 management has appointed En Mustaffa bin Ismail as the person in-charge of Traceability vide letter dated 15th July 2018 approved by Mr. Fazlin bin Baharuddin, Chief Executive Officer.

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 Purchases and sales will base on demand and has agreeable documentation with the supplier. Sighted the records of sales, delivery or transportation of FFB. This record being maintained, and the documents are kept by the mill.

Given below are some sampled records of storage, sales, delivery or transportation of crude palm oil and palm kernel

1. Weighbridge ticket
 - Serial no: 080001
 - Date: 7th July 2020
 - Nett Weight: 35870 kg
 - Lori Registration No: JQX 7501
 - Refinery Name: Mewaholeo Industries Sdn Bhd
2. Delivery Order
 - DO No PO: 31437
 - Contract no: KISPO20036-07
 - Deliver To: Mewaholeo Industries Sdn Bhd
 - Ref No: MPCPO 134106
 - Driver's Name: En Jaafar Abd Rashid
 - Lorry No: JQX 7501
3. Standard Procurement System form from MPOB
 - Verification of buyer and seller endorsed by MPOB (Borang MPOB L3)
4. Receiving note from buyer.
 - Serial No: 8681000024941
 - Vendor: Kilang Sawit Panji Alam
 - Loading amount: 40140 kg
5. Customer Ledger
 - Records Sales of CPO on monthly basis

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 The company has established and updated list of applicable laws and regulations that are applicable for the estate as per Kilang Sawit Panji Alam Sdn Bhd – Senarai Undang-Undang dan Peraturan.

The legal register is prepared by Mr. Syukri Bin Salim (Assistant Manager) approved by Mr. Fazlin Bin Baharuddin (Ketua Pegawai Eksekutif) on 06.09.2018.

Sighted the Senarai Undang-Undang dan Peraturan No Ruj KISPA/SENARAI/UUDP/01/2018 updated 30th April 2020 includes the following:

1. Occupational Safety and Health Act 1994
2. Factories and Machinery Act, 1967
3. Poison Act Regulations 1952, Act 366
4. Road Transport Act 1987, Act 333
5. Control Supplies Act, Act 122
6. Electricity Supply Act, 1990
7. Fire Service Act, 1984
8. Code of practice for safe working in a confined space, 2001
9. Environmental Quality Act 127
10. Workers' Minimum Standards of Housing and Amenities Act 1990, Act 446
11. Employees Information Act 1953
12. Children and Young Persons (Employment) Act 1966
13. Akta Kerja 1955
14. Employee Provident Fund Act 1991
15. Employees Social Security Act 1969
16. Trade Unions Act 1951, Act 262
17. Minimum Retirement Age Act, 2012
18. National Wage Consultative Council Act 2011, Minimum Wages Order (Amendment) 2020
19. Weights and Measures Regulations 1981.
20. Jadual Pematuhan, Department of Environment
21. Jadual Pematuhan, Department of Environment (for Kilang Sawit Panji Alam Sdn Bhd No Lesen:004051, validity 01.07.2018 to 30.06.2019)
22. MPOB, 1998

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary The list of "Senarai Undang-Undang dan Peraturan" covers the details requirements that related to MSPO compliance. These documents include information on "Bil., Document/Law, Regulatory Authority/ Summary, Requirements, current status and parts applicable (Mill)".

Sighted list of "Senarai Permit dan Lesen No Ruj KISPA/LRR/01/2018" being monitored and updated on 07th July 2020 by Mr. Syukri Bin Salim (Assistant Manager) approved by Mr. Fazlin Bin Baharuddin (Ketua Pegawai Eksekutif) listed 16 permits/licenses.

No	Items	Reference	Date
1	MPOB License	5000681040000	31/01/2021
2	DOE License	004051	30/06/2021
3	Permit to purchase, store, and use sodium hydroxide	003517	31/12/2021
4	Weighbridge Permit	B 1435720	23/09/2020

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 As per interviewed with Cik Nur Alifah Binti Ahmad (Compliance Clerk) any new amendments or any regulations once received through the following manner:

- Online/Website
- Monthly Bulletin (MAPA/NUPW & MAPA/AMESU)
- Mass Media
- Communication with law/enforcement officers

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 Sighted letter of appointment for the responsible person, Cik Nur Alifah Binti Ahmad (Compliance Clerk) signed by Mr. Fazlin Bin Baharuddin (Ketua Pegawai Eksekutif) on 06.09.2018.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Land use rights

Indicator 1 The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.

Summary The Mill is situated in the Land Title of PT474(P), H.S.(D) 837 valid till 29.11.2042 with the approximate area of 20.61632ha

The copy of land title is kept in the mill office and was sighted during the audit.

Evidence of annual payment of quit rent amounted to RM24,803.00 inclusive of RM59.00 (for 5-unit staff houses) paid to Pentadbir Tanah Tanah Dungun, Terengganu.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.

Summary Sighted Land ownership of the company in the Land Title of PT474(P), H.S.(D) 837 belongs to Kilang Sawit Panji Alam Sdn Bhd. The Mill was built within its own land title area.

Syarat-syarat Nyata: "Tanah yang diberi milik ini hendaklah di gunakan semata-mata bagi kawasan perusahaan kilang kelapa sawit dan mana-mana bangunan yang didirikan hendaklah ada kaitan dengan perusahaan tersebut."

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 3 Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.

Summary The mill was built within its own land title area, the permanent fence had been constructed to demarcate the vicinity of the mill area.

The mill is in the process of acquiring land surrounding its area. Sighted letter from the CEO of Kilang Sawit Panji Alam Sdn Bhd addressed to Group CEO of Ketengah Holding Sdn Bhd dated 15.10.2018 in respect to "Memohon Tanah Di Kawasan Kilang Sawit Panji Alam Sdn Bhd"

Sighted mill map demarcated with boundary markers furnished with 15 GPS coordinates done by Sr. Wan Mohd b Wan Salleh (Licensed Land Surveyor). As evidence sighted during the site:

Boundary Markers No	GPS Coordonate
5	S 63228.907 E 50695.795
10	S 63407.636 E 50565.971
12	S 63296.965 E 50198.054

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 4 Where there are, or have been disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).

Summary As the mill is built within its own land title, no disputes have been recorded in mill area. There is no evidence of conflict present in this mill.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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 the mill is built within its own land title, no disputes have been recorded in mill area. There is no evidence of conflict present in this mill.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available.
Summary	As the mill is built within its own land title. Thus, no issue of land encumbered by customary rights. Therefore, no maps for recognized customary rights is available. Sighted a drawing map on Borang B2 (Jadual Keempat Belas), Pelan Tanah (Hakmilik Sementara) indicating the alienated land belongs to the Kilang Sawit Panji Alam Sdn Bhd within the land title of PT474(P), H.S.(D) 837.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Indicator 3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.
Summary	There is no land conflict or disputes recorded by the mill. The mill land title and ownership are legally identified and documented.
In Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	Sighted, the latest Social Impact Assessment (Internal) was conducted on 17 th September 2019. The purpose of Social Impact Assessment is to measure and assessing on: <ul style="list-style-type: none"> 1) Access and use rights 2) Economic livelihood and working conditions 3) Subsistence activities 4) Cultural and religious values 5) Health and education facilities 6) Other community values <p>50 respondents @ 34% from the total 148 workers and staffs being assessed.</p>

Sighted, all respondents giving 100% positive responds. Social Impact Assessment prepared by Mr. Syukri bin Salim (Mill Assistant Manager) and approved by Mr. Fazlin bin Baharudin (Chief Executive Officer).

Sighted, the latest Social Impact Assessment (External) was conducted on 17th September 2019. The purpose of Social Impact Assessment is to measure and assessing on:

- 1) Access and use rights
- 2) Economic livelihood and working conditions
- 3) Subsistence activities
- 4) Cultural and religious values
- 5) Health and education facilities
- 6) Other community values

26 respondents (external) being assessed.

Sighted, all respondents giving 100% positive responds. Social Impact Assessment prepared by Mr. Syukri bin Salim (Mill Assistant Manager) and approved by Mr. Fazlin bin Baharudin (Chief Executive Officer).

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 Kilang Sawit Panji Alam Sdn Bhd has established the "Prosedur Komunikasi"; Ref No: KISPA/SOP/COMM/01/2018; Bil: 1; Date: 02nd July 2018. Prepared by Mr. Syukri bin Salim (Mill Assistant Manager) and approved by Mr. Fazlin bin Baharudin (Chief Executive Officer).

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 Kilang Sawit Panji Alam Sdn Bhd has established the "Prosedur Komunikasi"; Ref No: KISPA/SOP/COMM/01/2018; Bil: 1; Date: 02nd July 2018. Prepared by Mr. Syukri bin Salim (Mill Assistant Manager) and approved by Mr. Fazlin bin Baharudin (Chief Executive Officer).

The procedure and flowchart outlined the mechanism to handle issues highlighted by all the stakeholders and resolved effectively, timely and appropriate manner that is accepted by all parties.

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 is available at the office and the complaint being place in the Drop Box outside the office.

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 The latest meeting with the stakeholders (transporter) was held on 20th September 2018. Conducted by Mr. Syukri bin Salim (Mill Assistant Manager) and Mr. Fazlin bin Baharudin (Chief Executive Officer). Attended by 17 participants.

Sighted the "Taklimat MSPO" to mill workers and staffs on 01st October 2019. Attended by 112 participants. The training was conducted by Mr. Syukri bin Salim (Mill Assistant Manager) and Mr. Fazlin bin Baharudin (Chief Executive Officer).

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 This is 2nd year implementation of MSPO, no negative complaints made by internal and external stakeholders since the system introduce in July 2018.

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 Mill is committed and have contributed to local development. The contribution made to the internal and external stakeholders.

The estate have maintained all corporate social responsibility (CSR) for the development of local communities. In general the CSR performed by the company consist of the following:

- a) Contribution for the local communities programme
- b) Contribution for the school programme
- c) Contribution for the stakeholders

Total "Perincian Sumbangan Tabung CSR KISPA 2019". Sighted RM 6,618.40.

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 Sighted the "Polisi Keselamatan Dan Kesihatan". Established on 29th January 2018 which was approved by Mr. Fazlin bin Baharudin (Chief Executive Officer). The policy is written in Bahasa.

Sighted OSH plan for year 2020 by mill management. Among the plan:

- "KISPA mensasarkan sifar kemalangan serius pada tahun 2020"
- "Melapor dan menyiasat semua insiden yang meyebabkan kecederaan dan kerosakan pada harta dan merancang langkah-langkah pengawalan"
- "Menyedia dan mengekalkan persekitaran kerja yang baik dengan menyediakan peralatan dan kemudahan yang selamat untuk mengurang kecelakaan terhadap keselamatan dan kesihatan"
- "Menyedia maklumat terkini kepada pekerja dan menyedia latihan keselamatan dan kesihatan yang mencukupi"

Sighted the "Taklimat MSPO" to mill workers and staffs on 01st October 2019. Attended by 112 participants. The training was conducted by Mr. Syukri bin Salim (Mill Assistant Manager) and Mr. Fazlin bin Baharudin (Chief Executive Officer).

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <p>i) all employees involved are adequately trained on safe working practices; and</p> <p>ii) all precautions attached to products should be properly observed and applied.</p> <p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>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.</p> <p>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.</p> <p>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.</p>
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- 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

Sighted the "Polisi Keselamatan Dan Kesihatan". Established on 29th January 2018 which was approved by Mr. Fazlin bin Baharudin (Chief Executive Officer). The policy is written in Bahasa.

Sighted the "Taklimat MSPO" to mill workers and staffs on 01st October 2019. Attended by 112 participants. The training was conducted by Mr. Syukri bin Salim (Mill Assistant Manager) and Mr. Fazlin bin Baharudin (Chief Executive Officer).

Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive).

HIRARC sighted for the followings work operation :-

- Weighbridge
- Sterilizer
- Effluent
- Workshop

Latest update on 03rd June 2018. Approved by Mr. Fazlin bin Baharudin (Chief Executive Officer).

The mill has a comprehensive annual training programme for the Staffs and Workers.

Mill has provided appropriate PPE for all workers in their operations. Person in-charge of in issuing PPE is En. Mohd Nafi bin Hussin.

Company has established Prosedur Pengendalian Bahan Kimia. Date on 08th July 2018. prepared by En. Syukri bin Salim (Mill Assistant Manager) and approved by En. Fazlin bin Baharudin (Chief Executive Officer).

Sighted, CHRA being conducted on 03rd August 2016 by Dr. Yasriza bin Yahaya (JKKP HIE 127/171 -2 (8)-2017/057) from Occumed Consultancy & Services Sdn Bhd.

Mr. Fazlin bin Baharuddin (Chief Executive Officer) is person incharge for OSH.

OSH Committee Chart 2020 sighted. Letter of appointment for committee members dated 07/01/2019.

- 17/06/2020 – Attended by 9/14 participants

Pelan Tindakan Kecemasan (ERP) Dan Pasukan Tindakan Kecemasan (ERT). Date on 21st October 2018. prepared by En. Syukri bin Salim (Mill Assistant Manager) and approved by Mr. Fazlin bin Baharudin (Chief Executive Officer).

Sighted First Aider:

- En Ahmad Sanadi bin Kasim
- En Mohd Zuki bin Hassan

Mill has submit JKPP 8 (I & II)(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. JKPP 8 was submitted on 12th January 2020. Ref No: JKPP8/47155/2019

One area of concern has been raised to the mill. Sighted, Baseline & Annual Audiometric Test Report being conducted on 21st May 2019 by Specialist Mobile Safety Supplies Sdn Bhd. As evidence, sighted list of employees who have "standard threshold shift". Total of 65 employees has attended the audiometric test. From the result, it was revealed that 24 employees have "Standard Threshold Shift".

However, the employees with standard threshold shift did not undergo the 2nd audiometric test within three (3) months from the date of last audiometric test. The reason for not sending the 24 employees for 2nd audiometric test was based on the advise of the Occupational Safety and Health Doctor. During the audit, there was no evidence to show to the audit team that the doctor has advise as above.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 5 Employment conditions

Indicator 1 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 Kilang Sawit Panji Alam Sdn Bhd has established the "Polisi Hak Asasi Manusia" Date: 29th January 2018. Approved by Mr. Fazlin bin Baharudin (Chief Executive Officer).

Sighted "Taklimat dan Latihan Kemampanan (MSPO) dan Disiplin Pekerja on 17th February 2019. Attended by 101 participants.

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 Kilang Sawit Panji Alam Sdn Bhd has established the "Polisi Kesamarataan Hak" Date: 29th January 2018. Approved by Mr. Fazlin bin Baharuddin (Chief Executive Officer).

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the mill.

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 Pay and conditions are documented in the workers' Contract Agreement and wage payment records / pay slip.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732), Minimum Wages Order 2020 for Kemaman, Terengganu Area is RM1,200 as stated in the guidelines.

As evidence in mill, all employee confirmed that they understand the terms and conditions of their employment.

- 1) Mr. RY (Malaysian)
 - June 2020
 - Gross salary = RM 3,257.00
 - Deduction = RM 666.05
 - Net salary = RM 2,590.05
- 2) Mr. IO (Malaysian)
 - June 2020
 - Gross salary = RM 2,395.25
 - Deduction = RM 645.75
 - Net salary = RM 1,749.50
- 3) Ms. FA (Malaysian)
 - June 2020
 - Gross salary = RM 1,347.25
 - Deduction = RM 745.75
 - Net salary = RM 601.50

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 Pay and conditions are documented in the workers' Contract Agreement and wage payment records / pay slip.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732), Minimum Wages Order 2020 for Kemaman, Terengganu Area is RM1,200 as stated in the guidelines

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 Sighted Personal File for each employee stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday 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 All workers enjoy the same scale of pay and provided with equal housing and work facilities. Seen contract of employment, signed by the employee and employer.

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 Working hours is 8 hours. From Saturday to Thursday. The overtime maximum is 104 hours according to Malaysian Law. Daily attendance recorded during muster call. Mill has used punch card as a working time recording system.

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 The working hour and break time has been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties.

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. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made. Documented payslip was distributed to individual workers on the day of payment.

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	<p>All workers have been provided with medical and accident insurance. Productivity incentives and outturn incentive.</p> <p>With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations. Seen the evidence that the company paid to the insurance by monthly basis.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.
Summary	<p>There is no housing facilities for workers as all the workers are local. They have their own house.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.
Summary	<p>Kilang Sawit Panji Alam Sdn Bhd has established the "Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi" Date: 29th January 2018. Approved by Mr. Fazlin bin Baharuddin (Chief Executive Officer).</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>Kilang Sawit Panji Alam Sdn Bhd has established the "Polisi Gangguan Seksual, Keganasan Serta Hak Kebebasan Reproduksi" Date: 29th January 2018. Approved by Mr. Fazlin bin Baharuddin (Chief Executive Officer).</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.
Summary	<p>Kilang Sawit Panji Alam Sdn Bhd has established the "Polisi Kanak-kanak dan Orang Muda" Date: 29th January 2018. Approved by Mr. Fazlin bin Baharuddin (Chief Executive Officer).</p>

There are 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 Yearly training plan is created based on Training Needs Analysis for workers involved in the operations

Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description.

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 Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description.

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 The Mill has a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers.

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 Kilang Sawit Panji Alam Sdn Bhd has established Policy Perlindungan dan Penjagaan Alam Sekitar signed by Ketua Pegawai Eksekutif on 29th January 2018.

In line with “memastikan keseimbangan antara aspek pemeliharaan alam sekitar dan objektif perniagaan”, Kilang Sawit Panji Alam Sdn Bhd is committed towards implementing the following practices:

- i. “Mematuhi semua garis panduan dan undang-undang yang berkaitan dengan pemeliharaan aspek-aspek alam sekitar berkaitan.”
- ii. “Merancang, menilai dan melaksanakan tindakan yang bersesuaian bagi mengurangkan impak kepada aspek alam sekitar ekoran dari aktiviti-aktiviti syarikat.”
- iii. “Menghindarkan pencemaran serta meningkatkan mutu pengurusan alam sekitar serta mengurangkan pembaziran dan penggunaan sumber (bahan-bahan api dan tenaga), serta komited kepada pemulihan kitar semula, dan perlupusan bahan-bahan sisa dengan cara yang sesuai.”
- iv. “Mendidik dan menyelia pekerja supaya mengurangkan kesan buruk terhadap alam sekitar dalam semua operasi pengilangan.”
- v. “Menyampaikan polisi ini kepada semua pihak yang berkepentingan bagi memahami dan menyokong pihak pengurusan KISPA dalam menjalankan aktiviti perniagaan untuk kesinambungan generasi pada masa hadapan.”

The said policy was communicated to all management staff, internal and external stakeholders.

The details of the said meeting are as follows:

- 1) External Stakeholder Meeting
Meeting Title: External Stakeholders’ Meeting
Date: 2nd September 2019 & 17th September 2019
Time: 8.30 am
Venue: Bilik Mesyuarat, Lembaga Kemajuan Terengganu Tengah (KETENGAH), Bandar Seri Bandi
Attendance: 38 persons & 32 persons
- 2) Internal Stakeholder Meeting
Meeting Title: MSPO Sustainability and SCCS Training
Date: 1st February 2020
Time: 8.00 am
Venue: Perkarangan Pejabat Kilang Sawit Panji Alam
Attendance: 32 persons

Sighted meeting minutes and photographs of the said meeting

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

KISPA has conducted environmental aspect and impact assessment for all its' activities. The environmental assessment findings are recorded in document titled Environmental Aspect and Impact (EAI) Doc No. KISPA/EAI/01/2018 Rev No : 01 and was updated by Cik Nur Alifah Binti Ahmad (Compliance Clerk) and approved by Mr. Fazlin Bin Baharuddin, Chief Executive Officer, dated 18/2/2018.

The environmental aspect impact assessment covers 17 locations and 102 activities of the environmental aspects. It is reviewed on annual basis.

Sighted Environmental Management Plan for its 17 locations includes.

- 1) Weighbridge
- 2) Ramp
- 3) Sterilization
- 4) Threshing and pressing
- 5) Clarification
- 6) Kernel plant
- 7) CPO storage
- 8) Engine room
- 9) Workshop and electrical
- 10) Store
- 11) Laboratory
- 12) Effluent treatment Plant
- 13) Water treatment
- 14) Office
- 15) Canteen
- 16) Heavy vehicle
- 17) Contractors works

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

KISPA has established an Environment Improvement Plan to mitigate negative impacts.

The details are as follows.

ISSUES	MITIGATION PLAN	ACTION BY/ TIME FRAME	STATUS
Unused empty fruit bunches	To incinerate	Asst Manager July 2000	Completed
New compliance schedule, JPKKS 004055 in compliance with new Environment	To Build new Biogas Plant and hire a competent person in compliance with the new law. This plant	December 2020 CEO	Awaiting Board of Directors approval

Quality, Clean Air Regulation 2014 related to GHG emission	will reduce significantly the amount of methane released into the air		
New compliance schedule, JPKKS 004055 in compliance with new Environment Quality, Clean Air Regulation 2014 related to GHG emission	To provide noise exposure monitoring to determine noise level and for noise mapping	Asst Manager June 2020	In-Progress

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 mill has identified all activities /aspects of the palm oil mill that have an impact to the environment.

Given below are the activities carried out to promote positive impacts

1. The mill has carried out desludging at the effluent pond to increase the retention time of effluent from the mill to reduce the BOD.
2. The Mill has installed the Boiler Wet Scrubber at Boiler No. 3 for stack air monitoring in order to comply with EQA (Clean Air) Regulations 2014.
3. A program to promote positive impacts were included in the continual improvement plans.
 - a. To develop biogas power plant in order to control the quality and quantity of effluent.

Item no 3a is in progress and is pending approval from the Board of Directors.

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 Mill management has prepared the training program c/w matrix 2020 for all executives, staffs and workers on the following areas.

- 1) Schedule Waste Training
- 2) Chemical handling training
- 3) Rawatan air dandang stim
- 4) Penerangan dan penyelenggaraan Palm Oil Mill Effluent (POME).
- 5) Taklimat penyelenggaraan Local Exhaust Ventilation (LEV)

The above scheduled Environmental training were scheduled to start in March 2020; however, it has to be deferred due to the implementation of PKP by the government to curb the Corvid 19 pandemic. The above training programme will be conducted in September 2020.

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 KISPA has conducted Environmental Performance Monitoring Committee (EPMC) Meeting dated 17th June 2020 to discuss concerns on environment is discussed.

Given below are the details of the said meeting.

- 1) Date: 17/6/2020
Time: 10.00 am
Venue: Bilik Mesyuarat KISPA
Bil Mesyuarat: 02/2020
- 2) Pengerusi
 - En Fazlin bin Baharuddin (CEO)
- 3) Setiausaha
 - En Syukri (Asst Manager)
- 4) Ahli Jawatankuasa
 - Cik Nur Alifah
 - En Mohd Nafi bin Hussin
 - En Yusof bin Abd Ghani
 - En Mustafa bin Mohammad
 - En Noraidi bin Embong
 - EnEn Iruwan bin Abu Bakar
 - En Tobrani bin Mohd Noor
 - En Muhammad Fakiyuddin Azwa bin Hassan
- 5) Agenda
- 6) Pengenalan
- 7) Tindakan susulan dari mesyuarat EPMC sebelumnya
- 8) Mengkaji pemantauan prestasi Alam Sekitar
 - a. Sistem rawatan Efluent Kilang Minyak Sawit
 - b. Jadual Pengurusan Sisa
- 9) Lain lain perkara
 - a. Pemantauan Akta dan Undang – Undang

- b. Lapuran Kerosakkan
- c. Perintah Kawalan Pergerakan

10) Konklusi

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 Monitoring of non-renewable energy (Diesel) has been documented for the year 2018, 2019 and 2020 by KISPA. The documents were prepared by Cik Nur Alifah bt Ahmad, Compliance Clerk and approved by En Fazlin bin Baharuddin, Chief Executive Officer.

Given below are the per MT usage (baseline value) of Diesel

YEAR	DIESEL/MT
2017	1.74
2018	1.91
2019	2.0
2020 (As at July)	0.6

DIESEL USAGE FOR 2017, 2018 AND 2019

YEAR	DIESEL USAGE
2017	324,240.64
2018	330,278.62
2019	130,525.17
2020 (As at July)	142,716.60

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 Sighted estimated usage of Diesel as per document "Estimated usage of Diesel for the year 2020 prepared by En Abdul Rahman Mohammad and approved by prepared by Cik Nur Alifah bt Ahmad, Compliance Clerk and approved by En Fazlin bin Baharuddin, Chief Executive Officer.

NO	YEAR	DIESEL
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1	2020	210,000
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In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary

The mill management are using Fiber to fuel up the Boiler which will reduce diesel usage. Sighted record book of fiber production as a source of renewable energy for their operations. As a result of using fiber to fuel up the boiler, KISPA has reduced diesel usage.

Given below is the comparison of diesel usage for the boilers with implementation fueling up the Boiler by using Fiber

BOILERS	DIESEL USAGE 1 ST JAN – 31 ST JULY 2019	DIESEL USAGE 1 ST JAN – 31 ST JULY 2020
Diesel Generator No 1 200KW	1,526.00	4,702.40
Diesel Generator No 2 200KW	1,190.90	4,671.00
Diesel Generator No 3 200KW	44,094.15	4,196.00
TOTAL	RM46,811.05	RM13,569.40

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

Kilang Sawit Panji Alam Sdn Bhd has established the "Prosedur Pengendalian Sisa Domestik" No Ruj KISPA/DKPP/01/2018 dated 10/9/2018 prepared by En Syukri bin Salim, Assistant Manager and approved by En Fazlin Bin Baharuddin, Chief Executive Officer.

KISPA has identified waste products and sources of pollution Ref No: KISPA/WASTE/PLAN/01/2018 vide document dated 7th October 2018. The document was prepared by En Syukri bin Salim, Assistant Manager and approved by En Fazlin Bin Baharuddin, Chief Executive Officer.

Given below are the details:

NO	TYPE OF WASTE	SOURCE/ LOCATION/PROCESS
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1	Smoke emission from Lorry/Tractor (Air Pollution)	FFB Receiving area (Ramp)
2	Discharge of Condensate (Water Pollution)	FFB Steriliser
3	Leakage of spent lubricating oil	Threshing and Stripping
4	Fiber Dust generation	Mass Passing to Digester (MPD) Press
5	Discharge of Sludge (Water Pollution)	Oil Room (Clarification)

Sighted Inventory of Scheduled Wastes reported thru e-swis on 7/8/2020. File Ref No: (B)T:31/152/000/002

Sighted Consignment Note from Alivirgo Sdn Bhd dated 26/02/2020 for the disposal of 0.2000 mt SW305 – spent lubricating oil. Consignment Note No: 2020022609UC83MI

Sighted DOE license No. 003679 of Alivirgo Sdn Bhd valid until 30.04.2021.

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 KISPA has identified waste products and the sources of pollution which includes the monitoring process for the identified sources Ref No: KISPA/WASTE/PLAN/01/2018 vide document dated 7th October 2018. The document was prepared by En Syukri bin Salim, Assistant Manager and approved by En Fazlin Bin Baharuddin, Chief Executive Officer.

NO	TYPE OF WASTE	SOURCE/ LOCATION/ PROCESS	MITIGATION /MONITORING PLAN
1	Smoke emission from Lorry/Tractor (Air Pollution)	FFB Receiving area (Ramp)	To advice transporter /estate management to have regular maintenance of their vehicles.
2	Discharge of Condensate (Water Pollution)	FFB Steriliser	Treatment at effluent Treatment plant
3	Leakage of spent lubricating oil	Threshing and Stripping	Check condition of machine
4	Fiber Dust generation (Air Pollution)	Mass Passing to Digester (MPD) Press	To Ensure press cover is always used.

5	Discharge of Sludge (Water Pollution)	Oil Room (Clarification)	To recover oil at separator and Horizontal de-oiling tank before discharging into cooling pond
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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 Kilang Sawit Panji Alam Sdn Bhd has established the "Prosedur Pengendalian Bahan Kimia" No Ruj KISPA/SOP/CH/01/2018 dated 8/7/2018 prepared by En Syukri bin Salim, Assistant Manager and approved by En Fazlin Bin Baharuddin, Ketua Pegawai Eksekutif.

Sighted List of Chemicals - Hazardous Chemical to Health listed 27 names of chemical substances.

Schedule waste was disposed thru the Alivirgo Sdn Bhd, a licensed waste disposer. Latest consignment note for schedule waste was done on 26/2/2020, where of 0.2000 mt SW305 – spent lubricating oil being disposed. Consignment Note No: 2020022609UC83MI.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary KISPA disposes all domestic wastes to minimize the risk of contamination of the environment and watercourse.

Domestic waste for the housing complex were collected by the company and disposed of at Municipal Garbage Bin located at Bandar Seri Bandi. This done twice (2) per week.

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 Summary of NET GHG Emission 2020 was made available during audit. Given below are the details.

SUMMARY OF EMISSION

DESCRIPTION	tCO2e/tProduct
Crude Palm Oil (CPO)	0.58
Palm Kernel (PK)	0.58
Palm Kernel Oil (PKO)	0
Palm Kernel Expeller (PKE)	0

OIL EXTRACTION

EXTRACTION	tCO2e/tProduct
Oil Extraction Rate (OER)	19.98
Kernel Extraction Rate (KER)	5.13

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary KISPA has identified waste products and the sources of pollution which includes the monitoring process for the identified sources Ref No: KISPA/WASTE/PLAN/01/2018 vide document dated 7th October 2018. The document was prepared by En Syukri bin Salim, Assistant Manager and approved by En Fazlin Bin Baharuddin, Chief Executive Officer.

NO	TYPE OF WASTE	SOURCE/ LOCATION/ PROCESS	MITIGATION /MONITORING PLAN
1	Smoke emission from Lorry/Tractor (Air Pollution)	FFB Receiving area (Ramp)	To advice transporter /estate management to have regular maintenance of their vehicles.
2	Discharge of Condensate (Water Pollution)	FFB Steriliser	Treatment at effluent Treatment plant
3	Leakage of spent lubricating oil	Threshing and Stripping	Check condition of machine
4	Fiber Dust generation (Air Pollution)	Mass Passing to Digester (MPD) Press	To Ensure press cover is always used.
5	Discharge of Sludge (Water Pollution)	Oil Room (Clarification)	To recover oil at separator and Horizontal de-oiling tank before discharging into cooling pond

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 DOE limits for method of effluent disposal by "Alur Air" is 100mg/L as specified in the "Syarat – syarat lessen Premis Minyak Kelapa Sawit Mentah (Jadual Pematuhan)"

As per interview with En Syukri bin Salim, Assistant Manager the mill effluent (POME) is treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977.

Sighted POME production flowmeter data record book.

Sighted effluent analysis report, analyzed by Makmal Analisa Bukit Goh (FGV Palm Industries Sdn Bhd) on 19/3/2020 for final discharge recorded 88mg/L BOD.

Given below is the comparison between DOE Limits as specified in the "Syarat – syarat lessen Premis Minyak Kelapa Sawit Mentah (Jadual Pematuhan)" and the Laboratory Analysis of Effluent from KISPA

Description	Bod	Ph	Suspended Solids	Oil And Greese	Ammoniacal Nitrogen
Department Of Environment	100 mg/l	Not less than 5 and not more than 9	Not more than 400 mg/l	Not more than 50mg/l	Not more than 200 mg/l
Kilang Sawit Panji Alam	88	8.12	188	6	109

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 Sighted Water Management Plan, prepared by En Syukri Bin Salim, Assistant Manager dated 5th July 2020.

Mill management has prepared a record of water usage from 2016 until April 2019.

Water Usage as of July 2020

MONTH	FFB TONNAGE	TOTAL WATER / MONTH
Jan	13,313.74	22,341.00
Feb	12,818.17	20,829.00
Marc	15,202.28	20,862.00
April	14,443.88	19,597.00
May	17,334.2	21,408.00
June	25,818.51	35,102.00
July	24,995.85	32,160.00

Mill management sent effluent sample to Makmal Analisa Bukit Goh (Felda Palm Industries Sdn Bhd) by monthly. Latest sample was sent on 10/8/2020, however the mill is yet to receive the results. Previous samples show that the outgoing water BOD reading is below 100 ppm.

Mill fully reused the EFB to fuel incinerator. Sighted the daily record of EFB produced by the mill.

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 The POME is discharged to Sungai Ibok for the final discharge. The BOD is below approved limit of 100ppm by DOE for "Alur Air". Reported to DOE on quarterly basis using OER (online environmental reporting)

Sighted DOE approval for "Alur Air" stated as per "Syarat-syarat Pengurusan Efluen" in the Jadual Pematuhan. Effluent disposal location has been determined based on "New Layout Plan" nombor lukisan KISPA/ETP/100 dated 11.03.2005

Mill management also send effluent sample to Makmal Analisa Bukit Goh (Felda Palm Industries Sdn Bhd) by monthly to monitor the BOD content. Latest sample was sent on 10/8/2020, however the mill is yet to receive the results. Previous samples show that the outgoing water BOD reading is below 100 ppm.

Mill management also planned to developed biogas plant as part of the action plan to reduce the discharge of POME.

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 Mill capacity 60 MT/Hr – Sterilization is by horizontal sterilizer. 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.

Palm Oil Mill has 11 types of Manuals:

- 1) Standard Operating Procedure (11)
- 2) Dasar Dan Manual Keselamatan Dan Kesihatan Pekerjaan
- 3) Pelan Tindakan Kecemasan (ERP) Dan Pasukan Tindakan Kecemasan (ERT)
- 4) Manual Operasi Makmal
- 5) Prosedur Operasi Elektrik
- 6) Prosedur Operasi Bengkel
- 7) Prosedur Pengendalian Bahan Kimia
- 8) Waste Management and Disposal Plan
- 9) Prosedur Pengendalian Sisa Domestik
- 10) Standard Operating Procedure for Handling of Scheduled Waste
- 11) COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi

The document was well maintained and implemented.

- 1) Standard Operating Procedure (11) includes:
 - i. Weighbridge
 - ii. Loading Ramp
 - iii. Penggredan BTS
 - iv. Stesen Steriliser
 - v. Stesen Threshing/Pressing
 - vi. Stesen Bilik Minyak
 - vii. Stesen Nut/Depericarper
 - viii. Stesen Kernel
 - ix. Stesen Dandang Setim
 - x. Loji Rawatan Air
 - xi. Loji Rawatan Effluent
- 2) Dasar Dan Manual Keselamatan Dan Kesihatan Pekerjaan includes:
 - i. Pengenalan
 - ii. Identifikasi Hazad Penilaian dan Pengawalan Risiko
 - iii. Laporan Kemalangan dan Penyiasatan
 - iv. Kontraktor, Pembekal dan Pelawat
 - v. Pertolongan Cemas
 - vi. Prosedur Kebersihan Tempat Kerja
 - vii. Lampiran

3) Pelan Tindakan Kecemasan (ERP) Dan Pasukan Tindakan Kecemasan (ERT) includes:

- i. Pendahuluan
- ii. Skop
- iii. Jenis-jenis kecemasan
- iv. Kecemasan
- v. Penubuhan Pasukan Tindakan Kecemasan (ERT)
- vi. Tanggungjawab Umum Semasa Kecemasan
- vii. Prosedur Pengosongan Bangunan dan Tindakan Menyelamat Umum
- viii. Prosedur Pertolongan Cemas
- ix. Nombor Kecemasan
- x. Peruntukan Perundangan dan Garis Panduan
- xi. Penggunaan Peralatan Pedaman Api

4) Manual Operasi Makmal includes:

- i. Objektif
- ii. Skop
- iii. Singkatan
- iv. Analisa Penentuan Asid Lemak Bebas (FFA)
- v. Analisa Penentuan Kelembapan (Moisture)
- vi. Analisa Kehilangan Minyak Dalam Sampel Harian (Soxhlet Extraction Test)
- vii. Analisa Air Boiler (Boiler Water Test)

5) Prosedur Operasi Elektrik includes:

- i. Pengenalan
- ii. Fungsi
- iii. Skop
- iv. Tanggungjawab
- v. Proses Membuat Litar Star Delta
- vi. Projek Motor
- vii. Personal Protective Equipment
- viii. Kesan Renjatan Elektrik

6) Prosedur Operasi Bengkel includes:

- i. Tujuan
- ii. Skop
- iii. Definisi
- iv. Tanggungjawab
- v. Prosedur
- vi. Lampiran

7) Prosedur Pengendalian Bahan Kimia includes:

- i. Objektif
- ii. Skop
- iii. Definisi
- iv. Tanggungjawab
- v. Prosedur
- vi. Lampiran

- 8) Waste Management and Disposal Plan includes:
- Waste Products
- 9) Prosedur Pengendalian Sisa Domestic includes:
- Objektif
 - Skop
 - Definisi
 - Tanggungjawab dan Tindakan
 - Hirarki Pengurusan Sisa Pepejal
 - Carta Aliran Kerja
 - Infrastruktur dan Penempatan Tong Kitar Semula
 - Tanggungjawab dan Tindakan
 - Carta Aliran Kerja
- 10) Standard Operating Procedure for Handling of Scheduled Waste includes:
- Objective
 - Scope
 - Definitions
 - Task Instructions
 - Station Records/Form
 - Contaminated Rags
 - Oil Filters
 - Mechanics
 - All Mill Staff and Executives
 - Store Clerk
 - Handling of Diesel and Petrol
- 11) COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi includes:
- Saringan Kesihatan
 - Pemeriksaan dan Pemantauan Kesihatan Sebelum Operasi
 - Tindakan Pencegahan Semasa Operasi
 - Pemeriksaan Kesihatan ke atas Pelawat/Pembekal
 - Laporan kesihatan (di premis dan penginapan pekerja yang disediakan syarikat)
 - Aplikasi Sejahtera
 - Protokol Pencegahan Penyakit & Sekatan
 - Saringan Kesihatan
 - Laporan kesihatan (di premis dan penginapan pekerja yang disediakan syarikat)
 - Aplikasi Sejahtera

Regular inspection and supervision are conducted by Staffs, Section Head, Executives as well as HQ Department.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Indicator 2 All palm oil mills shall implement best practices.

Summary The mill is not certified by MPOB Codes of Milling Practice (CoP). However, mill has implemented Good Milling Practice (GMP) as per their own SOP's.

The mill is operating in accordance to Jadual Pematuhan – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, Jabatan Alam Sekitar AS(B)T:31/152/000/002; License No: 004051 valid until 30.06.2021 and all the Standard Operating Procedures.

One area of concern has been raised to the mill. During the audit, it was found that the mill is still using the Incinerator to burn the EFB. It is againsts the "Jadual Pematuhan – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, approved by Jabatan Alam Sekitar AS(B)T:31/152/000/002; License No: 004051 valid until 30.06.2021". The person incharge informed that KISPA is still burning the EFB in the incinerator because the officer from authorities did not comment on the above actions during their inspection.

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 2020. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas.

Sighted the 3 years business plan for the Mill.

FY	2020	2021	2022
External Suppliers	210,000	220,000	210,000
Estimate OER %	19.80	19.80	19.80
KER%	4.50	4.50	4.50
Cost/MT	48.99	46.65	48.99

The above budget for 2020 was approved by the Board of Directors. As the company practices budget approval on yearly basis, the budget for 2021 and 2022 will be approved in 2021 and 2022 respectively vide the Board of Directors meeting. (As per interview with Mr. Fazlin bin Baharuddin (Chief Executive Officer)).

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 of FFB is based on MPOB (Peninsular) pricing every month and for CPO and PK is based on the tender price by Procurement Department at HQ.

As evidence, the price for June 2020 CPO and PK are RM 2,951.50 and RM 1,422/ton respectively. (Malaysia Average).

The company will make an announcement for tender for other services like annual mill inspection, boiler overhaul, service decanter etc. in the local newspapers.

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 All contracts are kept in mill office. Sighted the contract Agreement signed by contractor and KISPA. As evidence, sampled:

- Sighted "Perjanjian Kontrak Incinerator" between KISPA and RPD Transport on 30th December 2019. The validity of the contract is for One (1) year from 1st Jan 2020 to 31st Dec 2020. Payment will release within one month from the date of invoice.

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 All the contractors are aware that mill will be certified under MSPO. Therefore, the contractor has been informed by mill management to follow the MSPO standard requirement.

The contractors understood and agreed to the above through "Perjanjian Kontrak Incinerator" clause E (6)(7) and vide the "Pengkakuan Pemborong".

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary All contracts are kept in mill office. Sighted the contract Agreement signed by contractor and KISPA. As evidence, sampled:

- Sighted "Perjanjian Kontrak Incinerator" between KISPA and RPD Transport on 30th December 2018. Payment will be release within one month from the date of invoice as stated under clause D(3) of the "Perjanjian Kontrak Incinerator"

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 mill was audited by Global Gateway Certifications Sdn Bhd MSPO audited on 11th August 2020 – 12th August 2020. Sighted audit plan dated 08th August (3rd Revised) which have been accepted address to Mr. Fazlin bin Baharuddin (Chief Executive Officer). All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
11 th August 2020	08:00 – 09:00	<ul style="list-style-type: none"> ➤ Opening Meeting at Kilang Sawit Panji Alam (KISPA) Sdn Bhd: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	MS	MAS
	09:00 – 13:00	Kilang Sawit Panji Alam (KISPA) Sdn Bhd <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	MAS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Mill inspection: <ul style="list-style-type: none"> • Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, Mill Housing, Schedule Waste, POME and etc. 	MS	MAS
	13:00 – 14:00	<ul style="list-style-type: none"> ➤ Lunch/Rest 	MS	MAS
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	MAS
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Verify any outstanding issues, auditor discussion and end of audit for day 1. 	MS	MAS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
12 th August 2020	08:00 – 13:00	Kilang Sawit Panji Alam (KISPA) Sdn Bhd <ul style="list-style-type: none"> ➤ Continue Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint 	MS	MAS


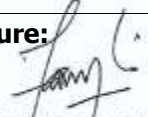



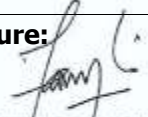
		records, workers records, training records, permits, CIP, etc.		
	13:00 – 14:00	➤ Lunch/Rest	MS	MAS
	14:00 – 15:00	➤ Verify any outstanding issues and auditor discussion.	MS	MAS
	15:00 – 16:00	➤ Centralize Closing Meeting at Kilang Sawit Panji Alam (KISPA) Sdn: ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment	MS	MAS

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit	
Major Nonconformities:	Non-were raised during this audit.
Minor Nonconformities:	Non-were raised during this audit.
Area of Concern:	The following AOC's were raised for this audit.

Company Name	Kilang Sawit Panji Alam Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance 1	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 4: General Principles for Palm Oil Mills			
Client Number	GGC-S1-MSPO-2019			
NC No. / Ref.	S1/MSPO/AOC/01	Date Detected	12 th August 2020	
Site(s) concern	Kilang Sawit Panji Alam Sdn Bhd	Target Completion	-	
Normative Reference and Requirement	4.3.1.1 All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Not in compliance with OSH Act; Regulation 23.			
NC Objective Evidence: Sighted, Baseline & Annual Audiometric Test Report being conducted on 21 st May 2019 by Specialist Mobile Safety Supplies Sdn Bhd. As evidence, sighted list of employees who have "standard threshold shift". Total of 65 employees has attended the audiometric test. From the result, it was revealed that 24 employees have "Standard Threshold Shift". However, the employees with standard threshold shift did not undergo the 2nd audiometric test within three (3) months from the date of last audiometric test. The reason for not sending the 24 employees for 2nd audiometric test was based on the advise of the Occupational Safety and Health Doctor. During the audit, there was no evidence to show to the audit team that the doctor has advise as above.				

Lead Auditor Signature: 	Client Signature:  FAZLIN B. BAHARUDDIN <small>KERUJ. PEGAWAI EKSEKUTIF KILANG SAWIT PANJI ALAM SDN. BHD.</small>
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Company Name	Kilang Sawit Panji Alam Sdn Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance 1	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 4: General Principles for Palm Oil Mills			
Client Number	GGC-S1-MSPO-2019			
NC No. / Ref.	S1/MSPO/AOC/02	Date Detected	12 th August 2020	
Site(s) concern	Kilang Sawit Panji Alam Sdn Bhd	Target Completion	-	
Normative Reference and Requirement	4.6.1.2 All palm oil mills shall implement best practices.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Not in compliance with "Jadual Pematuhan".			
NC Objective Evidence: During the audit, it was found that the mill is still using the Incinerator to burn the EFB. It is againsts the "Jadual Pematuhan – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, approved by Jabatan Alam Sekitar AS(B)T:31/152/000/002; License No: 004051 valid until 30.06.2021". The person incharge informed that KISPA is still burning the EFB in the incinerator because the officer from authorities did not comment on the above actions during their inspection.				
Lead Auditor Signature: 	Client Signature:  FAZLIN B. BAHARUDDIN <small>KERUJ. PEGAWAI EKSEKUTIF KILANG SAWIT PANJI ALAM SDN. BHD.</small>			



Non-Conformities Identified During Previous Audit


Major Nonconformities:



One Major NC's was raised for this audit.


Minor Nonconformities:

The following NC's was raised for this audit.

Company Name	Kilang Sawit Panji Alam Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 4: General Principles for Palm Oil Mills		
Client Number	GGC-S1-MSPO-2019		
NC No. / Ref.	S1/MSPO/MINOR/01	Date Detected	31 st May 2019
Site(s) concern	Kilang Sawit Panji Alam Sdn Bhd	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.3.1.1 Minor All operations shall be in compliance with applicable local, national and ratified international laws and regulations.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Incompliance to Section 24 of Employment Act 1955		
NC Objective Evidence:			
Kilang Sawit Panji Alam Sdn Bhd have made deduction for "School Loan" given to their workers from January 2019 – April 2019. There is no evidence of approval from DG of labor for deduction as stated in the Employment Act 1955; Part IV – Deductions From Wages; Lawful Deductions; Section 24.			
Lead Auditor Signature:		Client Signature:	
		 FAZLIN B. BAHARUDDIN KEPALA PEGAWAI EKSEKUTIF KILANG SAWIT PANJI ALAM SDN. BHD.	
Root cause Analysis (to be filled by client):			
The permit of deduction for "School Loan" was not applied and not approval by JTK			
Corrective action planned (to be filled by client):			
1) Mill will communicate with nearest JTK on the procedure to apply the permit. 2) Mill management will apply the permit for deduction "School Loan" from JTK 3) Letter have been submitted to Jabatan Tenaga Kerja and still waiting for their approval.			

Preventive Action (to be filled by client):	
Legal & Other Requirement Register (LORR) to be updated and reviewed person in charge to include on the requirement of Permit of deduction "School Loan" under Employment Act 1955.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 04 th June 2019	Lead Auditor Signature: 

Company Name	Kilang Sawit Panji Alam Sdn Bhd		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input type="checkbox"/>	Recertification
Audited Standard	Part 4: General Principles for Palm Oil Mills		
Client Number	GGC-S1-MSPO-2019		
NC No. / Ref.	S1/MSPO/MINOR/02	Date Detected	31 st May 2019
Site(s) concern	Kilang Sawit Panji Alam Sdn Bhd	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.4.2.4 Minor Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Stakeholders still not aware of complaints or suggestion procedure		
NC Objective Evidence: During stakeholders meeting (combine with Ladang Ketengah Jaya) on 30 th May 2019 conducted by Global Gateway Certifications Sdn Bhd, it was observed the stakeholders were not aware that any complaints or suggestions should be forwarded to the mill's management.			
Lead Auditor Signature: 		Client Signature:  FAZLIN B. BAHARUDDIN KETUA PEGAWAI EKSEKUTIF KILANG SAWIT PANJI ALAM SDN. BHD.	

Root cause Analysis (to be filled by client):	
Lack of understanding on MSPO's requirements.	
Corrective action planned (to be filled by client):	
1) Prepare the booklet that contain about MSPO, policy, complaints and suggestion procedure. 2) The mill management will be distributed again the booklet to external stakeholder.	
Preventive Action (to be filled by client):	
The mill manager will invite again all the internal and external stakeholders to attend the stakeholder meeting on September 2019.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date Verified: 04 th June 2019	Lead Auditor Signature: 

Area of Concern:	Non-were raised during this audit.
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Appendix C: List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Kilang Sawit Panji Alam Sdn Bhd management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives

External Stakeholders

- 1) Contractors
- 2) Suppliers