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MSPO Summary Report for Certification Assessment

Mafrica Group

Palmgroup Holding Sdn Bhd Palmgroup Palm Oil Mill

Report prepared by:

Report Number: BSI/MSPO/2017 - Palmgroup Palm Oil Mill- certification audit
@stage 2

Assessment Conducted by:

BSI Services Malaysia Sdn Bhd (Co.Reg. 804473 A)
Unit 10-03, Level 10, Tower A
The Vertical Business Suites, bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel.: +603 2242 4211; Fax: +603 2242 4218
www.bsigroup.com.my

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1.0 EXECUTIVE SUMMARY

1.1 Details of Initial Certification Assessment Scope and Certification Recommendation:						
<p>BSI has conducted Certification Assessment of Palmgroup Palm Oil Mill located in Balingian, Sibul, Sarawak, Malaysia comprising one palm oil mill, support services and infrastructure. As per Malaysian Sustainable Palm Oil (MSPO) Certification Scheme (Doc. No. MPOB/MSPO/CS/01 dated 19 Nov 2013), Palmgroup Palm Oil Mill opted for single unit certification. Stage 1 audit was carried out on 2-3 August 2016 as they are not exempted from stage I assessment due to no internationally recognised sustainable scheme certificate. The assessment was conducted onsite 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 and MSPO Guidance - Part 4_ Audit Guidance.</p> <p>The onsite assessment was conducted on 16 - 19 January 2017 (MSPO assessment at the company own estates was conducted on 20 – 21 January 2017).</p> <p>Based on the assessment result, BSI recommends Palmgroup Palm Oil Mill for certificate of compliance with the MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for palm oil mills and MSPO Guidance - Part 4_ Audit Guidance.</p>						
1.2 Identity of Certification Unit						
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address		GPS Reference of the site office			
			Longitude		Latitude	
Palmgroup Palm Oil Mill Sdn Bhd	Lot 2, Block 1, Arip Land District, Sibul Division, Sarawak		112.63506		2.82431	
1.3 Production Volume (tonnage).						
Name of mill	Projected from last audit (MT).		Actual production in 2016 (MT)		Projected production for next 12 months in 2017 (MT)	
	CPO	PK	CPO	PK	CPO	PK
Palmgroup POM	-	-	78,504.70	14,008.32	19,600	3,430
<i>NOTE: During the assessment there were no MSPO certified FFB processed at Palmgroup Palm Oil Mill.</i>						
<i>*Forecast OER:20%, KER:3.5% . Actual CPO and PK production is referred to total production Mafrika Group estates and 3rd party FFB supplier/out growers Projected CPO and PK forecasted only from MSPO certified estate</i>						
1.4 Certification Details						
Number			(will be assigned upon MPOB Approval)			
Issued Date			(will be assigned upon MPOB Approval)			
Expiry Date			(will be assigned upon MPOB Approval)			
Stage 1 Date			2-3 August 2016			
Stage 2 / Initial Assessment Visit Date (IAV)			Initial Certification Assessment: 16-19 January 2017			
Continuous Assessment Visit Date (CAV) 1			Not Applicable			
Continuous Assessment Visit Date (CAV) 2			Not Applicable			
Continuous Assessment Visit Date (CAV) 3			Not Applicable			
Continuous Assessment Visit Date (CAV) 4			Not Applicable			

1.5 Description of Fruit Supply Base and Traceability			
The FFB supply bases are from Mafrica group estates and and out growers with their FFB production listed below. During the audit all the supply base are not certified with MSPO. Own estate Palmcol estate is going through the MSPO certification process.			
FFB Source		Actual (2016)	Projected (2017)
Palmcol Estate (undergoing MSPO audit)		97,309.17	*98,000
Other group estates		288,647.98	290,000
Company owned Estates		385,957.15	400,000
Out growers / 3 rd FFB supplier		11,355.61	12,000
Grand Total		397,312.76	412,000
*MSPO certified FFB			
1.6 Detail of Other Certification Held			
No.	Type of Certification	Certificate #	Expiry Date
	Nil		
1.7 Organizational Information and Contact Person			
Company name:	Palmgroup Palm Oil Mill Sdn Bhd		
Business address:	HQ: 25.1-25.2, level 25, Wisma Sanyan, No.1, Jalan Sanyan, 96000 Sibul, Sarawak		
Group name if applicable:	Mafrica Group		
Contact person:	Raymond Nyian (Assistant Manager OSH and Environment)		
Tel.:	Office: +60 84- 353 155 ; H/P: +60 12-881 0052		
Fax:	+60 84-332 153		
e-mail:	raymondny@mafrica.com.my		
Web site:	-		
MPOB License Number:	541881004000		

2.0 ASSESSMENT PROCESS

2.1 Certification Body	
<p>BSI Services Malaysia Sdn Bhd (Co.Reg. 804473 A) Unit 10-03, Level 10, Tower A The Vertical Business Suites, bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel.: +603 2242 4211; Fax: +603 2242 4218 www.bsigroup.com.my</p> <p>BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is approved by Malaysian Palm Oil Board (MPOB) to provide MSPO Certification and activities.</p>	
2.2 Qualification of the Lead Assessor and Assessment Team	
<p>Mohamed Hidhir Lead Assessor</p>	<p>He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.</p>
2.3 Assessment Methodology, Programme and Site Visits	

The Initial Certification Assessment was conducted on 16 & 19 January 2017. The audit programme is included as Appendix A.

The approach to the audit was to treat the mill as a MSPO Certification Unit. Mill was audited together with its support services and infrastructure. A range of safety & health, environmental and social factors were covered. These included consideration of safe working practice, environmental issues and local communities' issues as part of stakeholder consultation.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

2.4 Stakeholder Consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to discuss the operating unit's practices in relation to environmental and social performance. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made.

The meeting was conducted without the present of management members of the company. At the start of each meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions continued. The auditor recorded comments made by stakeholders and verified with the management before incorporating into the assessment findings. Employee interviews with male and female workers and staff were held in private at the workplace in the mill. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews which were appreciated by the stakeholders. A list of Stakeholders contacted is included as Appendix B.

The comments made by external stakeholders were taken into account in the assessment and these have been incorporated into the assessment findings.

3.0 ASSESSMENT FINDINGS

3.1 Summary of the Findings		
Principle 1: Management commitment and responsibility		
Criterion 1: MSPO Policy		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Policy for the implementation of MSPO shall be established.	Palmgroup Palm Oil Mill Sdn Bhd has established a policy on sustainable palm oil production. Signed b MD, Mr Tiong Chiong Hee dated 20/4/16. Refer to MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016,version 1 dated 20/4/16	Yes
Indicator 2: The policy shall also emphasize on the commitment to continual Improvement with the objective of improving the milling operation.	The established policy has emphasized on the commitment for key legal, social and environmental consideration with the objective of improving the milling and estate operation.	Yes
Criterion 2: Internal audit		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	Internal audit was carried by Sustainability team on 4-5/7/16 for Palmgroup POM. Audit covered both documentation and field operation for the mill. Rating was given based on audit finding. Audit report was available with the summary of findings for each respective work units and was rated moderated (69%).	Yes
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.	Palmgroup Palm Oil Mill Sdn Bhd has implemented Internal Audits Procedure under the established procedure, to MSPO Management Policy and Procedure, PGHSB/SOPP/014/2016,version 1 dated 20/4/16 which prepared by Assistant Manager OHS and Environment, Mr Raymond Nyian. The procedure has incorporated the internal auditor competency requirement. By default, internal audit is planned once a year. No finding recorded in the last internal audit and only a few comments for improvement recorded in the report.	Yes

Indicator 3: Reports shall be made available to the management for their review.	Internal audit report dated 5/7/16 was made available for management review.	Yes
Criterion 3: Management review		
Indicator	Summary	Compliance (Yes / No)
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.	Combined MSPO management review was carried out on 14/11/16. Meeting was held together with other group estates in HQ, Sibuh. All pertinent elements for MSPO implementation has been reviewed and presented to top management. In addition, monthly TQM management meeting was also discussing on the MSPO elements on top of group's performance review.	Yes
Criterion 4: Continual improvement		
Indicator	Summary	Compliance (Yes / No)
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.	Palmgroup Palm Oil Mill Sdn Bhd has established management plan on social, safety and health and environmental impact. Verified the management plan for 2016 which covers social, environmental, safety and best practices as well as biodiversity aspect in plantation. Monthly update will be presented via TQM management meeting in HQ.	Yes
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.	The mill manager will be responsible to monitor and improves practices of new information and techniques or new industry standards and technology to be implemented. NIR machine trial is one of the new technologies to be introduced for lab operation. NIR machine can eliminate exposure of hazardous solvent i.e n-hexane used in soxlet extraction.	Yes

Principle 2: Transparency		
Criterion 1: Transparency of information and documents relevant to MSPO requirements		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: The management shall communicate adequate information to other Stakeholders on environmental, social and legal	There is a procedure: application for company information. The procedure has been developed for workers and staff as well as government agencies and other stakeholders.	Yes

<p>issues relevant to sustainable practices in the relevant languages and forms.</p>	<p>The mill management will communicate all information requested by relevant stakeholders. All information relating to external stakeholder will be responded by Mill Manager or the General Manager depends on the confidentiality. According to the procedure, if the stakeholder is requested for any information, he shall fill in the application information form from the office clerk. Assigned person in charge will response to the request and prepare the information requested with the approval from Mill Manager/General Manager/ Regional Human Resources Manager. The request shall be responded within 3 working days from the date of receipt of request email.</p>	
<p>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.</p>	<p>All the management documents for the estate are made publicly available upon request. Below are the example of documents that made publicly available:</p> <ol style="list-style-type: none"> a. Records of Request and response b. Policy <ul style="list-style-type: none"> - The policy is publicly available at mill office c. Social Impact Assessment d. List of Stakeholders e. Records of all communication and consultation f. Records of Complaints and Grievances <p>All management documents requested by external stakeholders will be handled by Mill Manager, General Manager and Regional Human Resources Manager.</p>	<p>Yes</p>
<p>Criterion 2: Transparent method of communication and consultation</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>
<p>Indicator 1: Procedures shall be established for consultation and communication with the relevant stakeholders.</p>	<p>Palmgroup has established a Communication and Consultation Procedure (version 1) dated December 2015 to establish and maintain best practices in communicating with the internal and external stakeholders.</p> <p>Mr. Wong Sie Chel has been appointed as Mill Social and Legal Coordinator which will be responsible in implementation and maintain of Company's Social and Legal Management System. The appointment letter is dated 27/07/2016 which issued by Mill Manager in charge, Mr. Tiong.</p>	<p>Yes</p>

	<p>Records of consultation and communication is available in following documents:</p> <ol style="list-style-type: none"> ST 18- Register of Dispute ST 19- Monitoring of request Complaint/ suggestion record Consultation records with community log book <p>List of external stakeholders is available which included stakeholder from nearby village, contractors, FFB suppliers, government bodies, internal stakeholders and so on.</p> <p>Training (complaint and grievance procedures, communication and consultation procedure) has been conducted too all the workers in POM on 21 Jan 2016.</p>	
<p>Indicator 2: The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).</p>	<p>Mr. Wong Sie Chel has been appointed as Mill Social and Legal Coordinator which will be responsible in implementation and maintain of Company's Social and Legal Management System. The appointment letter is dated 27/07/2016 which issued by Mill Manager in charge, Mr. Tiong.</p>	<p>Yes</p>
<p>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.</p>	<p>List of external stakeholders is available which included stakeholder from nearby village, contractors, FFB suppliers, government bodies, internal stakeholders and so on.</p> <p>Records of consultation and communication is available in following documents:</p> <ol style="list-style-type: none"> ST 18- Register of Dispute ST 19- Monitoring of request Complaint/ suggestion record Consultation records with community log book 	<p>Yes</p>
<p>Criterion 3: Traceability</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>
<p>Indicator 1: The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.</p>	<p>Supply Chain Procedures (Mill) Mass Balance, PGHSB/SOPP/001/2017 version 1 dated November 2016 describes the procedure for monitoring and to ensure accuracy of sustainable and non-sustainable receipts, dispatches and stock balance to conform to the requirement of RSPO/MSPO. These include:</p> <ol style="list-style-type: none"> Certificate number Name of certificate owner and estate name Date Weighbridge ticket Id Transporter Name 	<p>Yes</p>

	<p>f. Source Location g. FFB Weight and etc</p> <p>The traceability procedure has covered the procedure for external supplier which including the pre and post traceability.</p> <p>All the FFB suppliers are registered with MPOB with a valid license of selling FFB to the mill. Licenses of the FFB supplier are sighted during the audit. All the licenses are still valid.</p> <p>The weighbridge ticket will be issued during the delivery of FFB from the estate to mill as well as delivery of CPO and PK from mill to refinery.</p>	
<p>Indicator 2: The management shall conduct regular inspections on compliance with the established traceability system.</p>	<p>Daily production report and sales & stock movement (MT) are available for 2016. The mass balance sheet template was used to monitor incoming and outgoing of FFB and palm product (CPO and PK).</p> <p>Mr. Wong Sie Chel has been appointed in charge of traceability. Refer to appointment letter dated 25/10/16.</p>	<p>Yes</p>
<p>Indicator 3: The management shall identify and assign suitable employees to implement and maintain the traceability system.</p>	<p>Mr. Wong Sie Chel has been appointed in charge of traceability. Refer to appointment letter dated 25/10/16.</p>	<p>Yes</p>
<p>Indicator 4: Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p>	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel were maintained at the mill.</p> <p>Example of records evidence are as below:</p> <p>a. Daily production Record dated 31 December 2016 sampled:</p> <ul style="list-style-type: none"> i. FFB Received from own supplier ii. FFB Received from outsider iii. FFB Processed iv. CPO Produced v. PK Produced vi. OER vii. KER <p>b. Sale and Stock Movement dated 17 December 2016 sampled:</p> <ul style="list-style-type: none"> i. CPO Despatch ii. PK Despatch iii. Empty Bunch Ash iv. Sludge Oil v. Palm Kernel Shell <p>c. Weighbridge ticket</p> <p>d. Sales and purchase record</p>	<p>Yes</p>

	The mill has generated a monthly CPO/ PK product sales statement on daily basis.	
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Principle 3: Compliance to legal requirements		
Criterion 1: Regulatory requirements		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: All operations shall be in compliance with applicable local, national and ratified international laws and regulations.	<p>Palmgroup POM has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations. Inspection of records showed that the Palmgroup POM has yet to comply with legal and statutory requirements as per the following:</p> <p>Sample of Permit and license sighted were :</p> <p>i) Gensets written approval, 280kW and 1000 kW, ref#AS(SWK)(B)31/152/000/0579(a) dated 9 April 2010.</p> <p>ii) Incinerator 1 & 2, AS(SWK)(B)31/152/000/057 Jld.2 (3a) dated 23/8/2010</p> <p>iii) Incinerator 3 & 4, AS(SWK)(B)31/152/000/057 Jld.2 (22a) dated 12/3/2012</p> <p>iv) Steam Boiler and chimney, AS(SWK)(B)91/110/621/2519(a) &(b) dated 11/11/2009</p> <p>v)MPOB license # 541881004000; validity period 01-Sept-2016 to 31-Aug-2017 for 120,000mt per year. which less than actual processing capacity of 397,207.76 mt for 2016.</p> <p>vi) Mill DOE license and compliance schedule #001691; validity 1-Jul-2016 to 30-Jun-2017 for 60 MT FFB/hr and method of POME discharge on waterways. (BOD below 50ppm). As required under the latest compliance schedule, no environmental competent person for CePPOME and CePSWaM as per the requirement.</p> <p>vii) No permit to buy diesel obtained from KPDNKK as per Regulation 9(2), Control of Supplies Act 1974</p> <p>viii) Permit for salary deduction was not obtained from Labour Department as todote. Noted there were deduction of levi for foreign workers in the payslip form employee# MY00004422, MY00004497 and MY00002866.</p>	No

	Thus, a major NC was issued. Refer to NC# 1431235-201701-M1.	
Indicator 2: The management shall list all relevant laws related to their operations in a legal requirements register.	All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. Refer to legal register, OT05 dated 11/1/17. Sustainability department have reviewed and updated the applicable and relevant legal such as: i)Minimum wages order 2016 ii)OHS 1994 – USECHH 2000, SHC 1996, NADOPOD 2004, CLASS Regulation 2013 iii) FMA, Noise Exposure Regulations 1989 iv)ICOP, Confined Space 2010 v)FMA, Person In Charge Regulation (amendment)2014	Yes
Indicator 3: The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office. On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented. E.g. regular notification by Head Office and regular updates from the DOE/DOSH websites.	Yes
Indicator 4: The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	The person in charge is Mr Wong Sie Chel (assistant manager). Refer to the appointment letter dated 27/7/16 (PPOM/PH/SIH/001). Job description established for the Social and Legal Coordinator : -To ensure compliance with relevant statutory and meet sustainable standard - Update all documents and records - Monitor and update register of Social and Legal Improvement or CA	Yes
Criterion 2 : Land use rights		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.	Palmgroup POM was developed in 2007 and begin its operation in 2010. The land title under classification: mixed zone lane and under country land: 3524 Ha stated that the land is used for agricultural, production and processing purpose. For the POM, the land size used only 30ha.	Yes

<p>Indicator 2: The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p>	<p>Memorandum of sublease between Palmcol Sdn Bhd and Palmgroup POM Sdn Bhd dated 19 Nov 2007 is available.</p> <p>There is no issue on land use claims evidence during the audit.</p>	<p>Yes</p>
<p>Indicator 3: Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground, where practicable.</p>	<p>The land title under classification: mixed zone lane and under country land: 3524 Ha stated that the land is used for agricultural, production and processing purpose. For the POM, the land size used only 30ha</p>	<p>Yes</p>
<p>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).</p>	<p>The mill boundary is well maintained with the construction of boundary stone pegs to demarcate the mill's compound.</p> <p>There are total 8 boundary stone pegs and is evidence in POM Layout Plan with details GPS Coordinate.</p>	<p>Yes</p>
<p>Criterion 3 : Customary land rights</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>
<p>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.</p>	<p>There is no land dispute or customary rights issues in the mill.</p> <p>Mr. Wong Sie Chel has been appointed as Mill Social and Legal Coordinator which will be responsible in implementation and maintain of Company's Social and Legal Management System if there is any issue happens and will notify Sustainability Team.</p>	<p>Yes</p>
<p>Indicator 2: Maps of an appropriate scale showing extent of recognized customary rights shall be made available.</p>	<p>There is no land dispute or customary rights issues in the mill.</p> <p>The mill will respond according to the- Identification of Customary Land Rights and Compensation Procedures (PGHSB/SOPP/005/2015) dated 21st December 2015 if there is any cases arise in future.</p>	<p>Yes</p>
<p>Indicator 3: Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.</p>	<p>There is no land dispute or customary rights issues in the mill.</p> <p>The mill will respond according to the- Identification of Customary Land Rights and Compensation Procedures (PGHSB/SOPP/005/2015) dated 21st December 2015 if there is any cases arise in future.</p>	<p>Yes</p>

Principle 4: Social responsibility, health, safety and employment condition		
Criterion 1: Social impact assessment (SIA)		
Indicator	Summary	Compliance (Yes / No)
<p>Indicator 1: Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p>	<p>The Social Impact Assessment (SIA) was conducted on 5th – 9th October 2015 by external consultant, WildAsia including consideration of feedbacks from the stakeholder engagement meeting. Below are the details of the reviewed SIA:</p> <ul style="list-style-type: none"> - Introduction - Site Location and Size - Land Use - Human Environment - List of Stakeholders Nearby the Site - Survey Methodology - Identify Direct and Indirect Potential Impacts from operation - Mitigation Plan - Monitoring and Review <p>The SIA included mitigation plan for the identified negative impacts and also the monitoring and review of the impacts. The timeframe and responsible person for SIA management plan has been incorporated in the latest plan, SIA Mitigation Plan, version:1 (Oct2016)/SU dated 10/10/16.</p>	<p>Yes</p>
Criterion 2: Complaints and grievances		
Indicator	Summary	Compliance (Yes / No)
<p>Indicator 1: A system for dealing with complaints and grievances shall be established and documented.</p>	<p>Palmgroup Holdings has established Complaint and Grievance Procedures with Doc. No. PGHSB/SOPP/002/2015 dated 21/12/2015 to enable internal and external stakeholder to complaints.</p> <p>According to the procedure, all the complaints and grievances will be recorded in each individual form. The forms can be filling and drop into the suggestion box at the office or send to PIC.</p> <p>Complaints form available for internal workers as well as external stakeholders (stage 1 & stage 2 to 3).</p> <p>All cases of complaints were reported to the mill management. Complaint forms and details were sighted in the Complaint and Grievances file. Most cases were closed and some are still</p>	<p>Yes</p>

	pending. The last case was reported on 19/07/2016.	
Indicator 2: The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.	<p>Communication to the affected parties is evidenced. For instance, any social issues are communicated through social and legal PIC.</p> <p>The established grievance procedures specifies the estimated time shall be taken for each of the process to be addressed before proceed to the subsequent process.</p> <p>Grievances procedure flowchart also displayed on the office signboard and security post. Checked the complainants file noted that acknowledgement was evident in the complaint form. Sample compliant/request for house repair; house A12, Date of complaint (11/11/16) Date of action taken: 15/11/16 Complainant’s acknowledgement: 15/11/16</p>	Yes
Indicator 3: A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.	Grievances procedure flowchart displayed on the office signboard and security post. Complaint form also available in these location.	Yes
Indicator 4: Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	<p>Training (complaint and grievance procedures, communication and consultation procedure) has been conducted too all the workers in POM on 21 Jan 2016.</p> <p>The procedures also available at the office as well as the security post.</p>	Yes
Indicator 5: Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.	Records of complaints and resolution for the last 24 months (Jun 2013 to July 2016) are available in in the Complaint and Grievances file. The latest complaint record for November 2016 was made available during assessment. Besides, the mill has maintained a complaint and grievances file where complaint forms are attached in the file.	Yes
Criterion 3: Commitment to contribute to local sustainable development		
Indicator	Summary	Compliance (Yes / No)
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	<p>The mill operation workers are mainly from local communities. From the SIA report, it is noted that the mill has provide employment opportunities to the surrounding communities. In addition, the mill also made donation to the local school on 21 April 2016.</p> <p>Latest donation for school, SK Sg Anak on 17/11/16.</p>	Yes

mill and the plantation.		
Criterion 4: Employees safety and health		
Indicator	Summary	Compliance (Yes / No)
<p>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.</p>	<p>An Occupational Safety & Health Policy dated 1 October 2010 signed by Managing Director is available and been displayed at entrance of POM office. Safety and Health policy signed by MD, Mr Tiong Chiong Hee on 1/10/10</p> <p>Occupational Safety and Health Plan for 2017-2017 dated January 2017 include related OSH compliance monitoring activities: Daily Task or Handle in Case by case basis i) Contractor and workers monitoring (PPE, SWP, Cleanliness) ii) Compliance monitoring (CHRA, noise monitoring, chemical register)</p> <p>Monthly task i) SOP training ii) Workplace inspection, plan is monthly (actual is 3 monthly) iii) Monthly inspection (Fire fighting) iv) LEV monitoring (monthly)</p> <p>Annual i) JKKP 8 submission ii) Fire Drill iii) Inspection and renewal of CF iv) Audiometric test v) Medical Surveillance vi) LEV monitoring (annual)</p>	<p>Yes</p>
<p>Indicator 2: The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: i) all employees involved are adequately trained on safe working</p>	<p>a) Palmgroup POM has safety and health policy that has been communicated to the staff and workers. On site supervisors and Mill assistant managers ensure the implementation of it. Sample of OSH activities carried out were: ESI Sampling Sdn Bhd i) Area noise mapping and initial employee exposure monitoring by DOSH registered assessor, JKKP HIE 127/5/3-1(N047). Noted the high noise area > 90 dBA (engine room, boiler, kernel plant and sterilizer station As to date, the was no audiometric testing conducted for the staff and workers iii) Medical surveillance was not carried as per</p>	<p>Yes</p> <p>No</p> <p>No</p>

<p>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> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p>	<p>CHRA recommendation. No specific test for n-Hexane (2,5-Hexadione) carried for those exposed for the said chemical.</p> <p>b) Palmgroup POM has reviewed the Safety Risk Assessment (HIRARC) for the main tasks on December 2016. As per the stage 1 audit findings, HIRARC has been updated and incorporated the other mill operation for threshing station, mixed raw effluent (MRE), kernel wet separation (hydrocyclone), oil room, TTP and confined space. Refer to register dated 14/12/16</p> <p>CHRA - dated 21/7/12 by DOSH registered assessor, JKPP IH 127/171-2(71). Based on recommendation, lab operator is required to be sent for medical surveillance.</p> <p>c) In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p> <p>SDS for all the chemicals used are available at the store in Dual-language (Bahasa Malaysia and English). Sample of SDS sighted – PAC, Soda Ash, n-Hexane and Pottasium Chromate.</p> <p>d) Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. Standard of PPE used for lab analyst :</p> <p>i)Nitrile glove – (37-176-9)</p> <p>ii)Respirator – 3M 8210 (N95), double cartridge type (3M 6003) organic vapor cartridge.</p> <p>iii) Anti-fog goggle</p> <p>e)SOP established for laboratory and chemical handling – SOP on Chemical Storage and Handling for PPOM. Last training was conducted on (Spillage Training – 10/6/16, chemical handling (WTP).</p> <p>CHRA dated July 2012 (JKPP HIE 127/171/2(71)) Recommendation :</p> <p>i) Medical Surveillance (Lab,)</p> <p>ii)PCEM (Personal Chemical Exposure Monitoring for n-Hexane and Potassium Chromate</p> <p>iii) LEV monitoring</p> <p>iv) Training (Chemical Safe Handling)</p> <p>No monitoring for (LEV, PCEM) done as to date.</p> <p>f) At the Mill, there is a designated OSH Coordinator who is responsible for organising safety training, meetings and investigation</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p>
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<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p>	<p>and reporting of accidents and Incidents.</p> <p>SHC Chairman & OSH coordinator - Mill Safety and Health Coordinator: Mr Ling How Chung dated 27/7/16</p> <p>SHC Chairman – Tiong Ung Hee (appointment – 12/1/14)</p> <p>g) Records were available confirming that quarterly OSH meetings had been held at the Mill.</p> <p>SHC meeting : #3: 20/9/16, WI : 19/9/16 #2: 11/5/16, WI : 13/5/16 #1: 25/1/16 WI: 4/1/16 Workplace inspection carried quarterly, 19/9/16.</p> <p>h) The Mill has site specific Plans including maps showing assembly areas and up-to-date lists of emergency contacts with training conducted to communicate the Plan. Interviews of Mill staff and workers confirmed understanding of emergency response procedures. Emergency response team has been established for fire fighter, first aider, spillage and accident investigation.</p> <p>ERP drill – Spillage drill 10/6/16, fire drill 13/12/15.</p> <p>i) First Aid Kits are installed at various work stations at the Mill and inspection confirmed these had been appropriately stocked.</p> <p>j) All accidents are investigated and reported to Head Office and DOSH. Last LTI occurred on 4/6/2016 with 14 lost mandays. 2 accident recorded for 2016 with one non-LTI case. Verified JKKP 6 and JKKP 8 for 2016.</p> <p>Thus, a major NC was raised for the above issues. Refer to NC# 1431235-201701-M2</p>	<p>Yes</p>
<p>Criterion 5: Employment conditions</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>
<p>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</p>	<p>The top management of Palmgroup is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the "Human Rights Policy" which approved on 21st March 2016 by estate manager..</p>	<p>Yes</p>

employees.		
<p>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.</p>	<p>The top management of Palmgroup is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the "Human Rights Policy". There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well. Interview with workers indicates that there is no such discrimination occurs in the workplace</p>	<p>Yes</p>
<p>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.</p>	<p>The payroll and pay slip records of employees showed that all employees are paid with the monthly salary are compliance with the local minimum wages requirements.</p> <p>Sample of pay slips for local workers for December 2016: i) Employee# MY00005278 ii) Employee# MY00004163 iii)Employee# MY00005465</p> <p>Sample of pay slips for foreign workers for December 2016: i) Employee# MY00004422 (passport# A6461135) ii) Employee# MY00004497 (passport# A3769173) iii)Employee# MY00002866 (passport# V931166)</p> <p>Review the pay slip of mill employees pay statements has been carried out and confirm that their basic salary wages are comply with local minimum wages (RM 35.40/day) required.</p>	<p>Yes</p>
<p>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.</p>	<p>Palmgroup Palm Oil Mill Sdn Bhd arranges contracts for the purchase of goods and services, including those with FFB suppliers. The contract clearly stated that the contractor must strictly follow all applicable national and ratified international laws. Verified contract for bunch ash packer under T&K Engineering Co. FFB suppliers contract were checked.</p> <p>Interviews of contractors indicated that they understand their contracts. Further interview with the contractor's workers found that they were paid at least meeting the minimum wages requirement</p>	<p>Yes</p>
<p>Indicator 5: The management shall establish records that provide an accurate overview of all</p>	<p>POM maintain an accurate record of all employees under the following documents : Working Status of Foreign Workers</p>	<p>Yes</p>

<p>employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, and date of birth, date of entry, a job description, wage and the period of employment.</p>	<p>Working Status of Local Workers Both above records (e.g. records updated as of year 2016) verified during the audit were found contains the following details of information for every employees.</p> <ul style="list-style-type: none"> - Employee Name - Division - Nationality - Race - Place of Birth - Date of Birth - Occupation - Religion - Employment Date - Sex - Passport No. and Expiry Date (for foreigner) - Work Permit Expiry Date - Identification Card no. - Socso. No. - EPF no. 	
<p>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.</p>	<p>Employment Contract Form for local and foreign workers are available . Information indicated in the form showed that all employees are provided with fair contracts in term of salary, accommodation and other benefits.</p> <p>Copies of Employment Contract for each local and foreign workers indicated in the employment records are available . Foreign worker contract always valid for 5 years.</p> <p>Sample of employment contract available for the local workers: i) Employee# MY00005278 ii) Employee# MY00004163 iii)Employee# MY00005465</p> <p>Sample of employment contract available for the foreign workers: i) Employee# MY00004422 (passport# A6461135) ii) Employee# MY00004497 (passport# A3769173) iii)Employee# MY00002866 (passport# V931166)</p>	<p>Yes</p>
<p>Indicator 7: The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p>	<p>POM has established a time recording system (scan card system) for all employees.</p> <p>Time recording system has been implemented by scan card system for all mill employees.</p> <p>The working hours for all employees has been clearly documented in the Employment Contract and displayed in the office to ensure transparent for both employees and employer.</p>	<p>Yes</p>

<p>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.</p>	<p>From the overtime transaction of the workers, noted that some of the workers exceeded the OT limit of 104 hours per month. No permit obtained from labour Department for such issues. Sample workers , security guard (MY00005465 OT – 117.77 hours , MY00005278, total OT- 105.23 hours)</p> <p>Thus, a major NC was issued. Refer to NC# 1431235-201701-M4</p>	<p>No</p>
<p>Indicator 9: Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p>	<p>Pay slips of all employees are available as evidence of salary payment.</p> <p>The pay slip contain the following information :</p> <ul style="list-style-type: none"> a) Earnings <ul style="list-style-type: none"> - Basic Salary (Daily Rated Work, Work on Rest Day and Work on Holiday) - Overtime (Week days, Rest days and Holiday) b) Deduction <ul style="list-style-type: none"> - SOCSO, EPF , Others <p>Observed that the wages and overtime payment documented on the pay slips are in line with legal requirement and as stated in the employment contract</p>	<p>Yes</p>
<p>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, payment, support of professional development, medical care provisions and improvement of social surroundings.</p>	<p>Palmgroup POM has provided yearly bonus, monthly incentive which are paid according to staff's performances</p> <p>Apart from that, the management also provides free housing facilities with water and electricity. In addition, employees will be sent to nearby clinic and the cost is reimbursable.</p>	<p>Yes</p>
<p>Indicator 11: In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p>	<p>On-site living quarters are provided to general workers and staff. Observed that the living quarters are habitable and have amenities such as water, electricity etc.</p>	<p>Yes</p>
<p>Indicator 12: The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p>	<p>The policy and guidelines to prevent all forms of sexual harassment and violence of work place are clearly described in the documented "Sexual Harassment Policy" established by the management of Palmgroup Holdings on 22nd Feb 2016.</p> <p>Up to date, there is one case reported in 03 Feb 2015 and well documented.</p>	<p>Yes</p>
<p>Indicator 13: The management shall respect the right of all</p>	<p>Interviews of staff and workers confirmed Palmgroup POM supports freedom of association and collective bargaining. Policy on</p>	<p>Yes</p>

<p>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.</p>	<p>Freedom of Association and Collective Bargaining dated 21st March 2016. Although there were no Labour Unions, workers and staff are represented in Joint Consultative Committee (JCC) which was established since October 2016. Members are elected from representatives of every division including foreign workers. The first meeting was held on 24th October 2016 and attended by the elected members and mill management. Frequency of meeting is every 3 month.</p>	
<p>Indicator 14: Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p>	<p>Palmgroup POM keeps the following employment record of each employee.</p> <ol style="list-style-type: none"> 1) Working Status of Foreign Workers 2) Working Status of Local Workers <p>PPOM has established Child Labor Policy and Code of Conduct on the restriction to employ under age workers @ 18 years old which was endorsed by Palmgroup Holding Sdn Bhd, MD dated 13/7/15.</p> <p>As to date, based on PPOM manpower list, total of 126 workers and no underage workers were employed.</p> <p>Both above records verified (e.g. record updated as for year 2016) evidence that there is no underage worker (below 18 years old) employed.</p>	<p>Yes</p>
<p>Criterion 6: Training and competency</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>
<p>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.</p>	<p>Palmgroup POM has prepared an Annual Training Plan 2017 for workers and contractors that lists the internal and external training courses scheduled for the year.</p> <p>Training plan and records for 2015 and 2016 as follows:</p> <ol style="list-style-type: none"> i) KAIZEN – Continuous Process Improvement (16/10/16) ii) Re-fresher Training for MPOB Grading Standard (23/11/16) iii) Schedule Waste Seminar for 2016 (19/5/16) iv) PPE Training for WTP (11/9/16) v) SOP training for WTP – 11/9/16 vi) MSPO awareness training – 2/11/16 vii) Minimum Wages 2016 briefing – 6/1/17 	<p>Yes</p>

<p>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.</p>	<p>Palmgroup POM has prepared an Annual Training Plan 2016 and 2017 based on the training needs. This includes the internal and external training courses scheduled for the year.</p>	<p>Yes</p>
<p>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.</p>	<p>Continuous training programme is planned and implemented covering all employees and contractors as per the documented training procedure.</p>	<p>Yes</p>

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

Criterion 1: Environmental management plan

Indicator	Summary	Compliance (Yes / No)
<p>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.</p>	<p>Palmgroup POM has established an environmental policy and environmental management plan with relevant to the applicable laws and regulations. Policy was signed by managing director on 6 January 2014.</p> <p>Interviews of staff and workers found that the policy has been communicated and implemented.</p>	<p>Yes</p>
<p>Indicator 2: The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p>	<p>The established environmental management plan has covered the environmental aspects and impacts based on Palmgroup POM operation – Form 1: Identification and significant determination of environmental aspect and setting objectives and targets, version 1(Oct 2016)/SU. Activities from administration, transportation (FBB and palm products), store and workshop, boiler and engine room, laboratory and water treatment plant, ETP including polishing plant, scheduled waste store, process station (press, sterilizer, kernel plant, clarification station)</p>	<p>Yes</p>

<p>Indicator 3: An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p>	<p>The continuous monitoring was implemented on timely basis where the planned programs which derived from list of significant environmental aspect. Results of the programs that were monitored will determine operational changes whether have positive or negative environmental impacts. List for environmental improvement plan as such: i) Water quality monitoring ii) Domestic waste management iii) Scheduled waste management iv) Management of hydrocarbon waste v) Chemical management vi) Peat Management v) Labor line upkeep vi) Air quality management</p>	<p>Yes</p>
<p>Indicator 4: A programme to promote the positive impacts should be included in the continual improvement plan.</p>	<p>Palmgroup POM environmental improvement programme also includes continual improvement plans. For example, rain water harvesting system installed at labour line and also at the mill compound as to support the water supply from mill's water treatment plant.</p>	<p>Yes</p>
<p>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.</p>	<p>Annual training programme of the mill includes environmental awareness and compliance related trainings to the executives, staffs and workers.</p>	<p>Yes</p>
<p>Indicator 6: Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p>	<p>Environmental related matters were discussed during morning briefing and safety meeting. Workers interview reveal that they are encouraged to discuss environmental issues with the management.</p> <p>In addition, quarterly environmental meeting was last conducted on 15/11/16. All pertinent environmental matters were discussed during the meeting.</p>	<p>Yes</p>
<p>Criterion 2 : Efficiency of energy use and use of renewable energy</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>

<p>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.</p>	<p>Palmgroup POM maintains records of energy usage, which is reported monthly to head office. The use of the steam turbine for electricity generation has been optimised in order to reduce the dependence on diesel fossil fuel. No electric supply from SECCO @ Sarawak Energy for Palmgroup POM and fully dependent on diesel powered generator and steam turbine.</p> <p>FFB processed for 2015: 369,840.19 mt FFB processed for 2016: 397,207.76 mt</p>	<p>Yes</p>
<p>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.</p>	<p>Plamgroup POM has estimation of total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring.</p> <p>Fossil fuel usage for 2015: 429,651 litre Fossil fuel usage for 2016: 606,483 litre</p>	<p>Yes</p>
<p>Indicator 3: The use of renewable energy should be applied where possible.</p>	<p>Utilization of fossil fuels (diesel for genset) was monitored and control through stores stocks and materials checking reported on monthly basis. Effective maintenance plan and productive operation plan for genset including regular servicing of gensets as well as efficient operation of FFB process to fully utilize the free source of fuel i.e. biomass (fiber and shell) were implemented. The quantity of biomass also monitored to achieve the expected percentage of fiber (60 – 70%) and shell (30%) @ renewable energy (RE) produced and quantities being consumed. The consumption of RE is correlative with kWh of turbine operation as per the following figure: i)Turbine kWh generation for 2015: 7,155,496 kWh ii)Turbine kWh generation for 2016: 7,637,768 kWh</p>	<p>Yes</p>
<p>Criterion 3 : Waste management and disposal</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>
<p>Indicator 1: All waste products and sources of pollution shall be identified and documented.</p>	<p>Based on documented pollution prevention plan dated March 2016, among the waste products identified and documented including general waste and scheduled waste. Sources of waste were from the mill and housing area. Common waste identified including domestic waste and scheduled waste. Other specific type of waste generated by the mill is organic (biomass) waste which is also a source of renewable</p>	<p>Yes</p>

	<p>energy consists of fibres, shells, empty fruit bunches, boiler ashes and decanter solids. Other specific activities such as mill maintenance and estate vehicle workshop generate few categories of scheduled waste such as SW 305, SW 102 and SW 410.</p>																			
<p>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.</p>	<p>Documented pollution prevention plan dated March 2016 was emphasized in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company mill and estates. Process waste from production is being recycle back for operation. For example:</p> <table border="1" data-bbox="639 734 1214 1301"> <thead> <tr> <th>Process Waste</th> <th>Usage/recycle</th> <th>Output usage</th> </tr> </thead> <tbody> <tr> <td>Fibre and Shell</td> <td>Boiler fuel</td> <td>Steam for turbine operation</td> </tr> <tr> <td>Empty fruit bunch</td> <td>Incineration</td> <td>Bunch ash (fertilizer)</td> </tr> <tr> <td>Empty fruit bunch</td> <td>Mulching</td> <td>Moisture retention medium</td> </tr> <tr> <td>Boiler clinkers</td> <td>Road patching</td> <td>Alternative material for laterite</td> </tr> <tr> <td>Decanter cake/solid</td> <td>Animal feed & fertilizer</td> <td>Animal feed & fertilizer</td> </tr> </tbody> </table>	Process Waste	Usage/recycle	Output usage	Fibre and Shell	Boiler fuel	Steam for turbine operation	Empty fruit bunch	Incineration	Bunch ash (fertilizer)	Empty fruit bunch	Mulching	Moisture retention medium	Boiler clinkers	Road patching	Alternative material for laterite	Decanter cake/solid	Animal feed & fertilizer	Animal feed & fertilizer	<p>Yes</p>
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<p>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.</p>	<p>Method of scheduled waste handling was documented under Scheduled Waste Handling and Storage Guidance, PGHSB/SOPP/014/2016, version 1 dated 21/11/16. Designated storage area was constructed at Palmgroup POM with adequate mitigation measure such as spill kits and containment bunds. Scheduled waste were labelled and stored at designated area.</p> <p>Palmgroup POM kept the latest inventory for scheduled waste (5th schedule) and also via E-SWIS for online reporting. Due to unstable internet connection, 5th schedule kept for future reference.</p> <p>Scheduled waste handling i)SW305 was last disposed by Kien San Metal Sdn Bhd, (6000 liter) , SW102 (8 units) - No disposal records (6th consignment) available for the said disposal arrangement</p>	<p>No</p>																		

	<p>- No transport license for SW handling obtained by Kien San Metal Sdn Bhd.</p> <p>ii) Scheduled waste (i.e used cotton rags and gloves) was found mixed with other scheduled waste inside the black and green bin which for the non-scheduled waste storage at the workshop.</p> <p>Environmental issues i) Observed during site visit, outlet from monsoon drain to EFB dumping area was silted with oil scum and EFB. The sump is directly discharge to the nearby drain. ii) Discharge outlet from diesel tank containment bund was not installed with drain valve. Spills and oil leakages will directly flows to nearby monsoon drain without any mitigation measures.</p> <p>Thus, a major NC was issued. Refer to NC# 1431235-201701-M3</p>	
<p>Indicator 4: Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p>	<p>Method of handling the domestic/general wastes are segregation at the collection point from offices and housing area before being disposed to the nearby approved landfill at Balingian District. Collection done by contractor twice per week.</p>	<p>Yes</p>
<p>Criterion 4 : Reduction of pollution and emission including greenhouse gas</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>
<p>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.</p>	<p>Based on the assessment of all polluting activities as of the Form 1: Identification and significant determination of environmental aspect and setting objectives and targets, version 1(Oct 2016)/SU, identified significant source of air pollution was from boiler and incinerator chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler and incinerator stack monitoring of dust particulate.</p> <p>1st half of 2016 : Report ref# PGPOM/ST-B1/2016/1 dated 9/3/16.</p> <p>Dust emission load: 0.377 g/Nm³ , dry @ 12% CO₂ vs 0.4 g/Nm³ , dry @ 12% CO₂</p>	<p>Yes</p>

	<p>2nd half of 2016: Sampling was carried out on 20/10/16 and reporting is still pending. This will be further verified in the next audit.</p> <p>Incinerator: Report ref# PGPOM/INC1,3 &4/2016/3 dated 10/8/16. Results recorded at 0.377g/Nm³ (INC 1), 0.379 g/Nm³ (INC 2) and 0.385 g/Nm³ (INC 3).</p> <p>As for other environmental receptors,</p>	
<p>Indicator 2: An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p>	<p>Palmgroup pollution prevention plan has been integrated into environmental improvement plan which is being reviewed on yearly basis. Based on pollution prevention plan dated March 2014, main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH₄) emission through POME treatment. The company are in process of obtaining proposals to construct methane capture facilities in POME treatment pond. Other less significant GHG emissions identified including CO_x, SO_x and NO from various sources including fossil fuel, chemical and fertilizer consumptions. GHG emission calculated using and RSPO approved calculator, Palm GHG version 2.</p>	<p>Yes</p>
<p>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.</p>	<p>Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD is 50mg/l for latest compliance schedule. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point and water at the upstream and downstream of the river.</p> <p>(Sample: ESI Laboratory Sdn. Bhd. Certificate of analysis ref. # Palmgroup/22-12/079 dated 10/1/17), upstream = <2 mg/l BOD₃, downstream = <2 mg/l</p> <p>Effluent final discharge analysis was monitored on monthly basis by accredited 3rd party laboratory (ESI Laboratory Sdn Bhd). Refer to the latest analysis dated 10/1/17, ref# Palmgroup/22-12/079. BOD₃ recorded <2 mg/l and comply with the limit stipulated in mill's compliance schedule.</p> <p>In addition, PPOM also required to submit Quarterly Return Report to DOE. Latest quarter (July –September 2016) was verified.</p>	<p>Yes</p>

Criterion 5 : Natural water resources		
Indicator	Summary	Compliance (Yes / No)
<p>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:</p> <p>a) Assessment of water usage and sources.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>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).</p>	<p>Water management plan, under Water use monitoring, PGHSB/SOPP/004/2015 ver 1 dated December 2015 includes water consumption management and availability of water for mill processing and domestic use. The rainfall data collected to monitor the availability of water.</p> <p>Water consumption were monitored and measured individually for mill processing, boiler, firefighting and housing. Average consumption todate for 2016 =1.5 m3/FFB processed</p> <p>Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point and water at the upstream and downstream of the river. (Sample: ESI Laboratory Sdn. Bhd. Certificate of analysis ref. # Palmgroup/22-12/079 dated 10/1/17), upstream = <2 mg/l BOD3, downstream = <2 mg/l</p> <p>Palmgroup POM has optimize water and nutrient usage and reduce wastage for mill operation and at workers line site. For example, water from turbine cooling water recycled back and used as process water for oil room and dilution. Rain water harvesting system has been installed at all line site for cleaning purpose.</p>	Yes
<p>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.</p>	<p>Based on DOE license, ref: 001691; validity 1-Jul-2016 to 30-Jun-2017, method of POME discharge is water course and the BOD limit is below 50 ppm. Quarterly report submitted via OER "Online Environmental Reporting".</p>	Yes

Principle 6: Best practices		
Criterion 1: Mill management		
Indicator	Summary	Compliance (Yes / No)
<p>Indicator 1: Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p>	<p>Palmgroup POM has established a system for monitoring and control of best practice implementation. This includes the programme of regular inspections and audits by GM and sustainability department for maintaining and improving the production.</p>	Yes

	<p>SOP for Palmgroup POM – January 2011(KP 2-5) & Safe Working Procedure for mill operation – established in 2010 which consist of :</p> <ul style="list-style-type: none"> i) Weighbridge (FFB, CPO & PK despatch) ii) Loading Ramp iii) Sterilizer iv) Press v) Kernel Plant vi) Oil room vii) Engine room & boiler viii) ETP ix) Workshop and Electrical work <p>SOP (Standard Operating Procedure) for mill operation – boiler station, ERP (chemical & oil spillage:rev1/2011 dated 19/8/11)</p> <p>New established Permit To Work Procedure dated April 2015 was sighted. In progress of approval form top management and will be further verified in the next audit.</p> <p>GM visit mainly on the operation part. 2016 (June 2016), 2015 (December 2015)</p> <p>Latest sustainability audit was carried out on 4-5/7/16 for Palmgroup POM and 13-15/7/16 for Palmcol Sdn Bhd.</p>	
<p>Indicator 2: All palm oil mills shall implement best practices.</p>	<p>Sustainability department inspect and report on the operations on annual basis. The on-site managers develop the action plans from the GM visit report and internal audit report for improvement of the operations. Review of reports, action plans and site inspections confirmed consistent records of implementation of SOPs. This to ensure that performance is on track and best practices being consistently implemented.</p>	<p>Yes</p>
<p>Criterion 2 : Economic and financial viability plan</p>		
<p>Indicator</p>	<p>Summary</p>	<p>Compliance (Yes / No)</p>
<p>Indicator 1: A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p>	<p>Annual business plan in the form of annual budget and the projection for 2 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc. It also includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure (CAPEX) as per the following: Sample of CAPEX for 2017 i) Oil recovery - Sludge separator (for oil recovery) ii) Continuous desludging system – reduce ETP load and sedimentation and improve HRT (ETP</p>	<p>Yes</p>

	performance) iii) Boiler dust filtering system – to comply with the new Clean Air Regulations 2014 by 2019. (ESP, gas scrubber unit or filter bags – under review)	
Criterion 3 : Transparent and fair price dealing		
Indicator	Summary	Compliance (Yes / No)
Indicator 1: Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<p>Palmgroup POM offers FFB pricing as per MPOB guidelines and mills average OER. The pricing method has been clearly stated in the contract and agreed by the FFB supplier. Verified FFB supplier contract for Ling Lik Chai, effective starting from 1st September 2015.</p> <p>Other service contracts checked and verified: i) Contract bunch ash packing agreement, PPOM/BS/1601/001 dated 1st January 2016.</p> <p>ii) CPO tanker transporter, Viva Master Sdn Bhd refer to transporter agreement, effective 1st February 2016. Validity period: 3 years for the date of agreement</p> <p>iii) PK cargo transporter, Viva Master Sdn Bhd refer to transporter agreement, effective 1st February 2016. Validity period: 3 years for the date of agreement</p>	Yes
Indicator 2: All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner.	<p>Sample contract and payment record verification together with interviews of suppliers and contractor found the payments has been made as per contract. Eg. CPO tanker transporter, Viva Master Sdn Bhd refer to transporter agreement, PPOM/BS/1601/001 effective 1st February 2016.</p> <p>Payment for November 2016, based on number of tankers use for the month. The payment was paid as per the agreement.</p>	Yes
Criterion 4 : Contractor		
Indicator	Summary	Compliance (Yes / No)
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.	<p>Palmgroup POM has initiated the MSPO awareness to all its contractors. Interview with the contractors found that they have limited information on the MSPO requirements even though the mill has conducted awareness training. This will be followed up for further details during next assessment.</p>	Yes

<p>Indicator 2: The management shall provide evidence of agreed contracts with the contractor.</p>	<p>Palmgroup POM has prepared a standard contract for all the contractors. The signed copy of the contract available at the mill. Verified sample of contract with both party agreement for; i) Contract bunch ash packing agreement, PPOM/BS/1601/001 dated 1st January 2016. Validity period 3 years. ii) CPO tanker transporter, Viva Master Sdn Bhd refer to transporter agreement, effective 1st February 2016. Validity period: 3 years for the date of agreement iii) PK cargo transporter, Viva Master Sdn Bhd refer to transporter agreement, effective 1st February 2016. Validity period: 3 years for the date of agreement</p>	<p>Yes</p>
<p>Indicator 3: The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p>	<p>Palmgroup POM has no objection to allow BSI auditors to verify the assessment through physical inspection if required.</p>	<p>Yes</p>

3.2 Details of Nonconformities and Observations

Major Nonconformities:

Ref	Area/Process	Clause
1431235-201701-M1	Palmgroup Palm Oil Mill	Criteria 4.3.1
Details:	Compliance with applicable local, state, national and ratified international laws and regulations was not effectively implemented.	
Requirements:	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.	
Objective Evidence:	i) There was no environmental competent person for CePPOME and CePSWaM as per requirement "Jadual Pematuhan" #001691 ii) No permit to buy diesel obtained from KPDNKK as per Regulation 9(2), Control of Supplies Act 1974 iii) Processing capacity stated in the MPOB license# 541881004000; validity period 01- Sept-2016 to 31-Aug-2017 only 120,000mt which less than actual processing capacity of 397,207.76 mt for 2016. iv) Permit for salary deduction was not obtained from Labour Department as todate.	
Close Out Evidence:	i) Verified registration of 2 mill personnel (Tiong Ung Hee and Yii Ann Naa) for the CePPOME course under Enviro Academy scheduled on 21-25/8/17. Refer course confirmation via email dated 6/4/17. A sustainability/HQ personnel has attended CePSWaM training on 3-7/4/17.	

	<p>ii) Palmgroup POM has obtained diesel permit from KPDNKK, serial# Q010049, purchasing volume of 36,00 liter valid from 25/5/17 -24/5/18</p> <p>iii) Approval granted from MPOB for increase of processing capacity from 120,000 mt to 450,000 mt. Refer to MPOB license#541881004000 valid until 31/8/17</p> <p>iv) Salary deduction permit was granted from Labour Department. Refer to levi deduction approval, ref# JTKSWK/PL/008/17/(SBU) effective from 13/4/17.</p>
Audit team conclusion:	<p>Audit team have reviewed the evidence summited and the major NC has been satisfactorily closed provided with the adequate supporting evidence for NC closure. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>The major NC was closed out on 17/4/2017</p>

Ref	Area/Process	Clause
1431235-201701-M2	Palmgroup Palm Oil Mill	Criteria 4.4.4
Details:	Occupational safety and health policy and plan was not effectively implemented	
Requirements:	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 (Act 139) shall be documented, effectively communicated and implemented	
Objective Evidence:	<p>i) Medical surveillance was not carried as per CHRA recommendation. No specific test for n-Hexane (2,5-Hexadione) carried for those exposed for the said chemical.</p> <p>ii) No baseline audiometric testing carried out as to date.</p> <p>iii) No local exhaust ventilation (LEV) monitoring and Chemical Exposure Monitoring (CEM) carried out as todate.</p>	
Close Out Evidence:	<p>i) Medical surveillance was carried out on 27/2/17 – 2/3/17 for total 6 lab operators. N-Hexane (2,5-Hexadione) test has been included in the programme. Verified lab testing report and certificate of fitness for the said workers and found to be fit to work.</p> <p>ii) Baseline audiometric testing was carried out in March 2017 for total of 100 workers. Refer to report ref# GGOSH/PUA-MAFRICA/2017/01 by Global Green OSH Services Sdn Bhd. Follow-up on the results will be further verified in the next audit.</p> <p>iii) Baseline LEV testing was carried out on 18/4/17 by ESI Sampling. Refer to job ref# ESIS/PQ/LEV-MPOM/17/01 dated 17/2/17.</p>	
Audit team conclusion:	<p>Audit team have reviewed the evidence summited and the major NC has been satisfactorily closed provided with the adequate supporting evidence for NC closure. Continuous implementation of corrective action taken will be further verified in the next assessment visit.</p> <p>The major NC was closed out on 17/4/2017</p>	

Ref	Area/Process	Clause
1431235-201701-M3	Palmgroup Palm Oil Mill	Criteria 4.5.3.2
Details:	Waste management plan was not effectively implemented to avoid and reduce pollution.	

Requirements:	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure 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.
Objective Evidence:	i) Observed during site visit, outlet from monsoon drain to EFB dumping area was silted with oil scum and EFB. The sump is directly discharge to the nearby drain. ii) SW305 was last disposed by Kien San Metal Sdn Bhd, (6000 liter), SW102 (8 units) - No disposal records (6th consignment) available for the said disposal arrangement - No transport license for SW handling obtained by Kien San Metal Sdn Bhd. iii) Discharge outlet from diesel tank containment bund was not installed with drain valve. Spills and oil leakages will directly flows to nearby monsoon drain without any mitigation measures.
Close Out Evidence:	i) Monsoon drain assessment was carried out on 6/3/17. Verified picture of clean outlet monsoon drain together with oil trap installation for additional mitigation measures. ii) Online reporting system @ E-SWiS was used for scheduled waste management. Verified sample of 6 th schedule printed out from e-SWiS, consignment note# 2017041607X987TY and summary of waste inventory for each type waste generated. Scheduled waste collected by license DOE contractor, Kien San Metal Sdn Bhd. Verified license to transport, serial# 001740 valid until 30/4/17 and license to store, serial#001739 valid until 30/4/17 for the said company. iii) Verified discharge outlet connected to oil trap and the other outlet completely closed/blank to avoid spillage entering the drain.
Audit team conclusion:	Audit team have reviewed the evidence submitted and the major NC has been satisfactorily closed provided with the adequate supporting evidence for NC closure. Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 17/4/2017

Ref	Area/Process	Clause
1431235-201701-M4	Palmgroup Palm Oil Mill	Criteria 4.4.5.8
Details:	Working hours of the individual worker was not comply with legal regulation	
Requirements:	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 requirements applicable.	
Objective Evidence:	No permit for OT more than 104 hours obtained from Labour Department. Sample workers , security guard (MY00005465 OT – 117.77 hrs , MY00005278, total OT- 105.23 hrs)	
Close Out	Permit for extension of overtime limit approved for maximum of 156 hours granted	

Evidence:	by Labour Department Sarawak. Refer to permit serial# JTKSWK/HKLM/001/17(MUKAH) effective on 28/3/17.
Audit team conclusion:	Audit team have reviewed the evidence submitted and the major NC has been satisfactorily closed provided with the adequate supporting evidence for NC closure. Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 17/4/2017

Observations / Opportunity for improvements:

Nil

3.3 Status of Nonconformities (Major and Minor) Previously Identified

Not Applicable. This is an initial certification assessment.

3.4 Issues Raised by Stakeholders

During this certification assessment, stakeholders were contacted through phone calls as well as private meeting conducted without the present of management team. The majority of stakeholders had positive comments about Palmgroup POM. Issues raised by stakeholders were discussed with the management and the company's response is obtained. The detail of stakeholders comment is provided in each criterion as part of this summary report.

Local villagers/long house: There are no any issues or disputes were raised. Good relationship maintained by the mill.

Local and foreign workers: There are no any issues or disputes were raised.

Union representative: Confirmed that no any unresolved disputes or grievance.

Contractors and suppliers: Confirm that payment is made promptly and no any disputes. Contracts are transparent and legal.

Labour Department: Informed that there is no reported case of labour issue.

DOSH Department: No non-compliance issue against occupational health and safety regulations by Palmgroup POM

DOE Department, Bintulu: No non-compliance issue against environmental regulations by Palmgroup POM

NREB, Bintulu: Keresa mill complying with its licensing requirement well.

3.5 Noteworthy Positive Components

Safety signs are continuously maintained well and clearly marked with walkways. Mill maintain good relationship with stakeholders.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Assessment Visit

The next Assessment visit will be scheduled within 9-12 months of Palmgroup POM 's MSPO Certificate being issued.

4.2 Date of Closing Nonconformities (Major and Minor)

NC Ref.	CLASS	ISSUED	STATUS
1431235-201701-M1	Major	18/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension
1431235-201701-M2	Major	18/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension
1431235-201701-M3	Major	18/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension
1431235-201701-M4	Major	18/1/2017	Closed out on 17/4/17. Applied for additional 30 days extension

4.3 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Signed for on behalf of
Palmgroup Palm Oil Mill Sdn Bhd



Raymond Nyian
Assistant Manager
Palmgroup Holdings Sdn Bhd

Date : 25th July 2017

Signed for on behalf of
BSI Services Malaysia Sdn. Bhd



Mohamed Hidhir Zainal Abidin
BSI Lead Auditor

Date : 5th July 2017

Appendix A: MSPO Initial Certification Assessment Plan

PRELIMINARY AGENDA			
Date	Time	Subjects	Hidhir
Sunday 15/1/2017	PM	Audit Team travelling to Bintulu via AK5242, ETA 1920 Check in hotel at Bintulu	√
Monday 16/1/2017 Bintulu	AM/PM	External stakeholder meeting (government agencies at Bintulu) NREB, DOE, DOSH, Sarawak Energy, Labor Department etc.	√
Tuesday 17/1/2017 Palmgroup Oil Mill	0700 08.30 – 09.00	Traveling to Palmgroup site (Mill and Estate) Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan 	√
	09.00 – 12.30	Palmgroup Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment.	√
	12.30 – 13.30	Lunch	√

PRELIMINARY AGENDA			
Date	Time	Subjects	Hidhir
	13.30 – 16.30	Continue with unfinished elements Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√
	16.30 - 17.00	Interim Closing briefing.	√
Wednesday 18/1/2017 Palmgroup Oil Mill	09.00 – 12.30	Document Review (part 4), P1: Management commitment and responsibility, P2: Transparency	
	12.30 – 13.30	Lunch	√
	13.30 – 16.30	P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices	√
	16.30 - 17.00	Interim Closing briefing.	√
Thursday 19/1/2017 Palmgroup Oil Mill	09.00 – 10.00	P4: Social responsibility, health safety and employment condition	√
	10.00 – 12.30	Internal stakeholder interviews (combined with estate's stakeholders)	
	12.30 – 13.30	Lunch	√
	13.30 – 16.30	Continue with unfinished elements P3: Compliance to legal requirement	√
	16.30 - 17.00	Interim Closing briefing.	√
Friday 20/1/2017 Palmcol Estate	08.30 – 12.30	Palmcol Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√

	12.30 – 13.30	Lunch	√
	13.30 – 16.30	Palmcol Estate Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement,	√
	16.30 - 17.00	Interim Closing briefing.	√
Saturday 21/1/2017	08.30 – 12.30	Continue with unfinished elements P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and	√
Palmcol Estate	12.20 - 13.30	Lunch	√
	13.30 – 15.30	P6 : Best practices, P7: Development of New Planting	√
	15.30 – 16.30	Verify any outstanding issues & Preparation for closing meeting	√
	16.30 – 17.00	Closing meeting & end of audit	√
	1700	Travelling back to Bintulu. Flight back to KL via MH 2747 ETD 1930	√

Appendix B: List of Stakeholders Contacted

Internal Stakeholders	External Stakeholders
Palmgroup POM Management team and Staff	Department of Safety and Health
On site compliance executives	Department of Environment
Mill Manager and Assistants	Natural Resources Environmental Board Sarawak, NREB
Estate Managers and Assistants	Labour Department, Bintulu
Facility Administrators	Malaysian Palm Oil Board (on-site)
Gender Committee Representatives	General Contractor
Male and Female workers	FFB Supplier
Workers Representatives	FFB Transport contractor
Foreign Workers Representatives	Local vilagers/long house