

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)



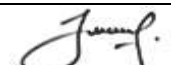
### CERTIFICATION AUDIT REPORT


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

**Glenealy Plantations Sdn. Bhd.  
Timora Palm Oil Mill**

**-Individual Certification-**

**ANNUAL SURVEILLANCE AUDIT 2  
17<sup>th</sup> February 2021**

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	23/02/2021	Issued as Draft Report	Mohamad Razin bin Bakal	Lead Auditor	
B	29/02/2021	Issued as Final Report	Mohamad Razin bin Bakal	Lead Auditor	
B	08/03/2021	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by Glenealy Plantations Sdn Bhd – Timora Palm Oil Mill					
Rev	Date	Description	Management Representative	Role	Signature
B	08/03/2021	Acceptance of the contents	Mr. S. Subramaniam	Mill Manager	

#### **Declaration**

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

**WITH INTEGRITY WE SERVE**



Confidentiality clause: This audit report is confidential and limited in distribution to Global Gateway Certifications Sdn. Bhd. and to the organisation audited. It remains the exclusive property of the certification body, therefore it is forbidden to reproduce either partially or in totality without the formal authorization of the certification body.

## Table of Contents

<b>SECTION I : PUBLIC SUMMARY REPORT .....</b>	<b>3</b>
1.1 Certification Scope .....	3
1.2 Company details and Contact information.....	3
1.3 Certification Unit.....	3
1.4 Map Showing Geographical Location .....	4
1.5 Production Area, Actual and Projected FFB Production (MT) .....	5
1.6 Certificate Details.....	6
1.7 Qualification of the Lead Assessor and Assessment Team.....	7
1.8 Audit Methodology .....	8
1.9 Audit Plan Information .....	8
1.10 Audit Result Summary Findings .....	9
1.11 Stakeholder Consultation.....	9
1.12 Recommendation .....	10
1.13 Date of Next Surveillance Audit.....	11
1.14 Confidentiality .....	11
1.15 Abbreviations Used .....	11
<b>SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA.....</b>	<b>13</b>
2.1 Principle 1 : Management commitment and responsibility .....	13
2.2 Principle 2 : Transparency .....	18
2.3 Principle 3 : Compliance to legal requirements.....	21
2.4 Principle 4 : Social responsibility, health, safety and employment condition .....	25
2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services .....	34
2.6 Principle 6 : Best practices.....	42
2.7 Details of Audit Findings.....	46

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

**SECTION I: PUBLIC SUMMARY REPORT****1.1 Certification Scope**

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of Glenealy Plantations Sdn Bhd, Sabah Region Complex [Palm Oil Mill & Estates]. During this Annual Surveillance Audit 2, the audit team were briefed by Manager Palm Oil Mill of the supply base disposition. The source of FFB supplies to Timora Palm Oil Mill are from their own estates [Timora Estate, Amalanía Koko Berhad (AKB) Estate and Pertasa Estate] and other surrounding area.

This assessment was conducted remotely using Google Meet Application on 18<sup>th</sup> February 2021 to assess the compliance of the certification unit against the "MS 2530 - 4: 2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills". The scope of certification is "Production Of Sustainable Crude Palm Oil and Palm Kernel".

**1.2 Company details and Contact information**

<b>Company Name</b>	Glenealy Plantations Sdn Bhd – Timora Palm Oil Mill
<b>Business Address</b>	C-3A-1, Plaza Arkadia, No. 3, Jalan Inti Sari Perdana, Desa Park City, 52200 Kuala Lumpur, Malaysia.
<b>Contact Person</b>	Mr. S. Subramaniam
<b>Office Telephone</b>	+60-89-577011 / +60-89-867010
<b>E-Mail</b>	msposamling.sabahregion@gmail.com & timora.mill@yahoo.com.my

**1.3 Certification Unit**

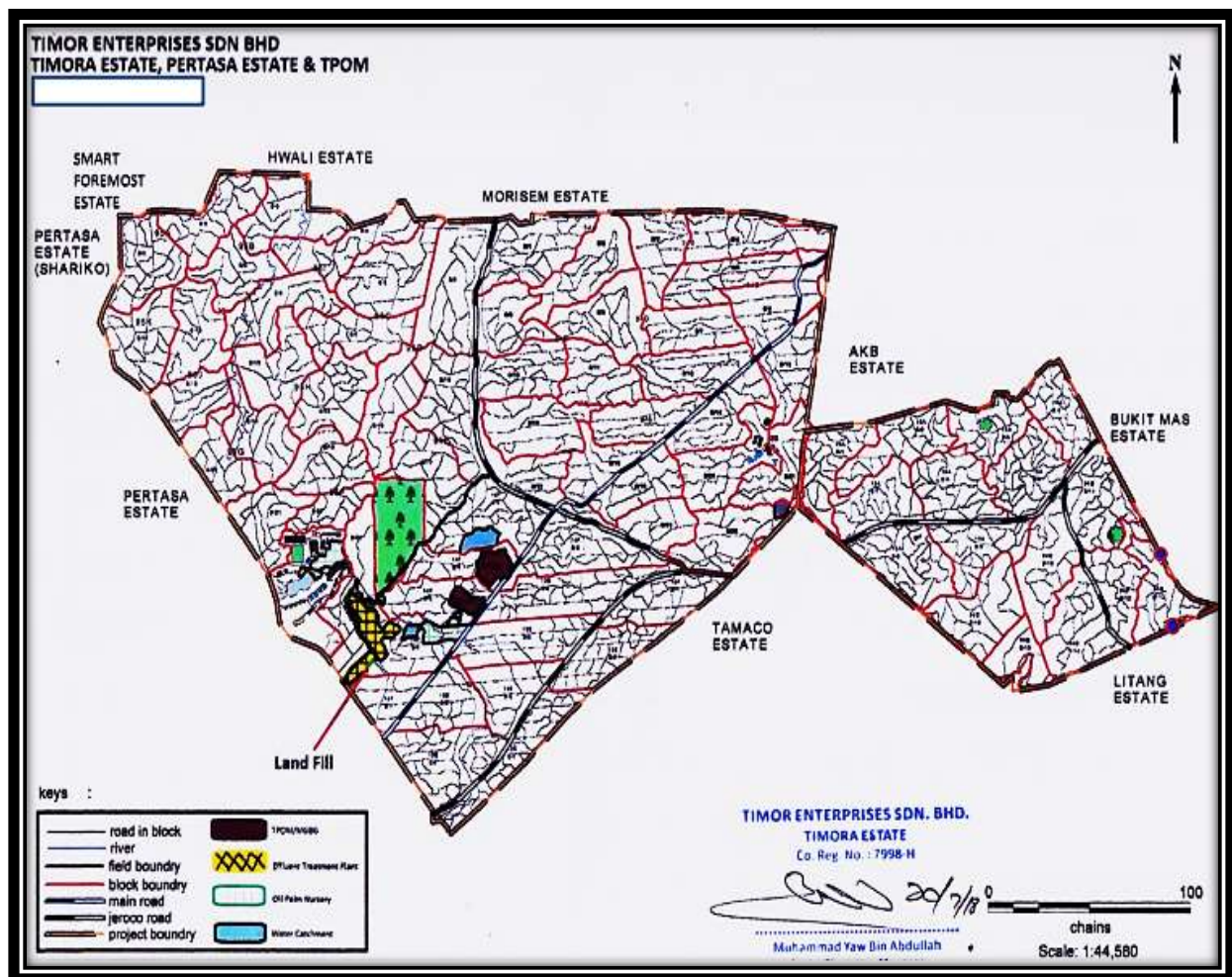
<b>Name of the Certification Unit</b>	Timora Palm Oil Mill
<b>Mill Capacity (MT/HR)</b>	60 MT/Hour
<b>Site Address</b>	Timor Enterprises Sdn Bhd, Timora Palm Oil Mill, Locked Bag No.22, 91109 Lahad Datu, Sabah.
<b>GPS Reference of the site office</b>	<b>Longitude</b> E 118.340076 <b>Latitude</b> N 5.304724
<b>MPOB License Information</b>	<b>License No.</b> 500274804000

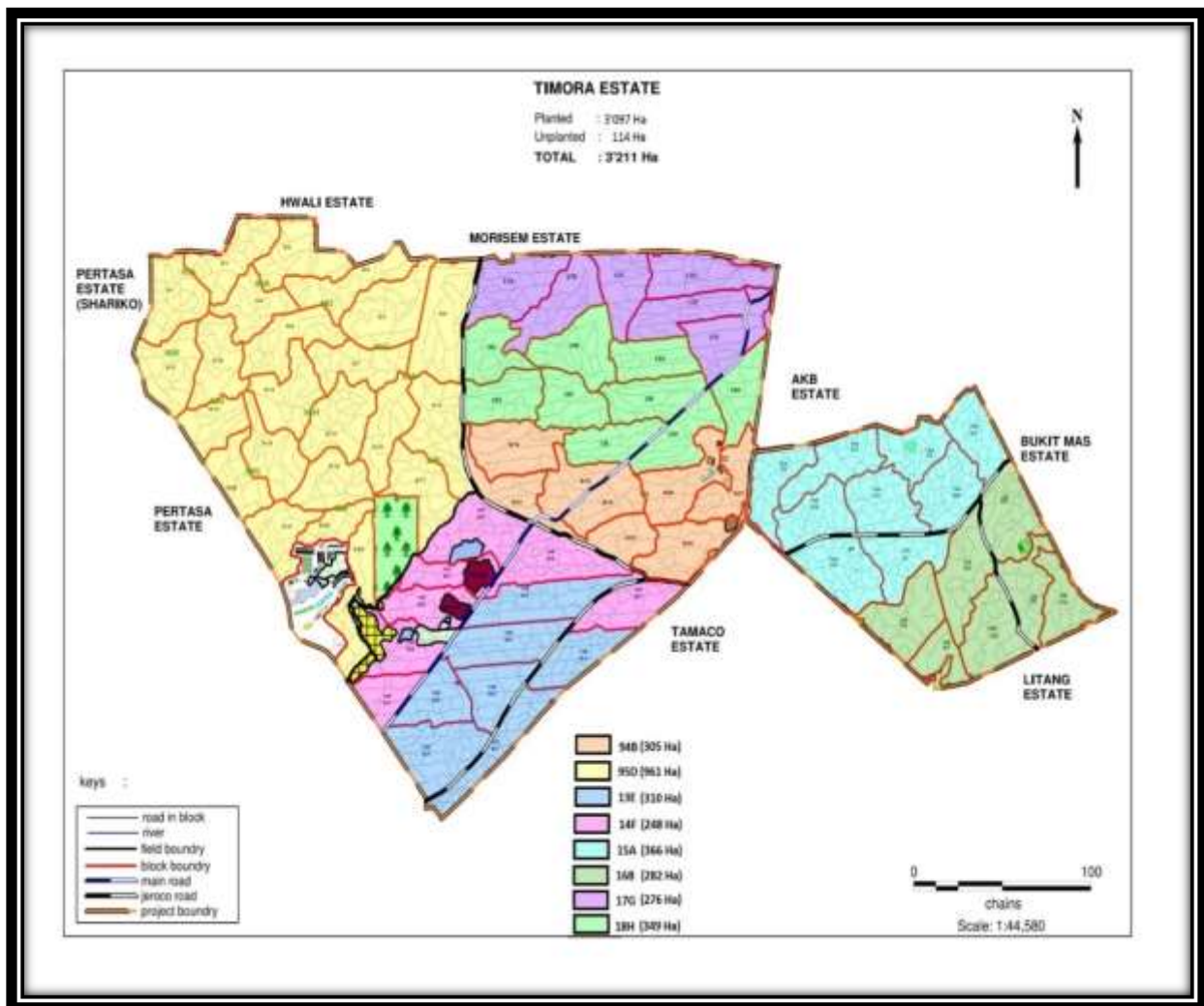


	<b>Scope of Activity</b>          <b>Expiry Date</b>	1. Sell and distribute FFB, PK, CPO and SPO. 2. Purchase and distribute FFB, PK, CPO. 3. Store PK, CPO and SPO. 4. Manufacture/Process FFB. 5. Import and Export of CPO and PK. 31 <sup>st</sup> January 2022
<b>Others Sustainability Certification</b>	HACCP – MS1480:2007	

#### 1.4 Map Showing Geographical Location

##### Sabah Region Complex [Palm Oil Mill]



**Timora Palm Oil Mill share with Timora Estate Land Title****1.5 Production Area, Actual and Projected FFB Production (MT)****Production for Certified Unit**

<b>Timora Palm Oil Mill</b>	<b>Projected from last audit</b>	<b>Actual Production for 12 Months [Feb 2020 – Jan 2021]</b>	<b>Projected Production for next 12 Months [Feb 2021 – Jan 2022]</b>
FFB Summary (MT)	160,642.00	163,569.21	176,750.00
CPO Summary (MT)	37,636.00	36,225.36	39,592.00
PK Summary (MT)	7,084.05	6,582.29	7,600.25

# FFB's Own Estates

**Production for Uncertified Unit**

<b>Timora Palm Oil Mill</b>	<b>Projected from last audit</b>	<b>Actual Production for 12 Months [Feb 2020 – Jan 2021]</b>	<b>Projected Production for next 12 Months [Feb 2021 – Jan 2022]</b>
FFB Summary (MT)	86.30	88.97	600
CPO Summary (MT)	22.98	20.77	120
PK Summary (MT)	4.60	4.07	30

**1.6 Certificate Details****Certification body**

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

**Assessment standard**

(MSPO) Part 4: General principles for palm oil mills

**Certificate number**

GGC-GPSB001-MSPO-01-2019

**Initial certificate issued date**

31<sup>st</sup> January 2019

**Certificate expiry date**

30<sup>th</sup> January 2024

**Stage 1 assessment date**

4<sup>th</sup> September 2018

**Stage 2 / Main Assessment**

12<sup>th</sup> November 2018

**Annual Surveillance 1 [ASA 1]**

27<sup>th</sup> November 2019

**Annual Surveillance 2 [ASA 2]**

17<sup>th</sup> February 2021

**Annual Surveillance 3 [ASA 3]**

November 2021

**Annual Surveillance 4 [ASA 4]**

November 2022



## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** Mohamad Razin bin Bakal

Graduate in Degree of Accountancy with University Putra Malaysia. Having 18 years of working experience in various field in Malaysia, Africa and Indonesia. Have enough knowledge and experiences in oil palm estate operation inclusive of estate administrative, budget preparation, jungle clearing, new planting, nursery establishment and management, harvesting, field upkeep and maintenance, safety and health, vehicle running and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM).

Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013 (PnC & SCCS), RSPO (PnC & SCCS) ISO 14001:2015 and ISO 9001:2015. Participated and undergo training conducted by SIRIM Berhad & David Ogg. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Management Commitment and Responsibility, Workers Welfare, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** Md. Jefri bin Shara'ai

Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Work experience since year 1992, in various industries and discipline that include manufacturing, engineering services, quality management, environmental management, research and development.

Audit experience in Quality Management System (ISO9001), Environmental Management System (ISO14001) and Safety & Health (OHSAS 18001) since year 2008. Qualified auditor in sustainability certification programs such as Roundtable Sustainable Palm Oil, Principles & Criteria (RSPO P&C), Roundtable Sustainable Palm Oil, Supply Chain (RSPO SCC), Malaysian Sustainable Palm Oil (MSPO) and Malaysian Sustainable Palm Oil, Supply Chain (MSPO SCCS).

During this assessment, he assessed on the aspect of compliance to Compliance to Legal Requirements, Environment, Natural Resources, Biodiversity and Ecosystem Services. Able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** Baskaran A/L Sankaran

Master of Occupational Safety & Health Risk Management from Open University Malaysia, Diploma in Mechanical Engineering and Management Programme. More than 20 years of working experience in various industries. Involved in RSPO and MSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia and Indonesia. Completed ISO 9001:2008 and ISO 14001:2004 lead auditor course in 2006 & 2010. Also completed RSPO Lead Auditor training in December 2014. Qualified as Lead Auditor/Auditor in several certification programme such as RSPO, MSPO, ISO and etc. Member of GGC RSPO audit team. Able to speak and understand Bahasa Malaysia and English.

During this assessment, he assessed on the aspect of Transparency and Responsibility, Social Responsibility, Health, Safety and Employment Condition. 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 “Timora POM”.

The assessment activities include of documents review and interview the workers. 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 observation of tasks and processes, interviews of internal 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. Internal stakeholders were consulted randomly during the assessment to obtain feedback on the management compliance and performance (Appendix C) of MSPO.

Glenealy Plantations Sdn Bhd has been granted a permission for 1-month extension from MPOCC. The actual period ended on 30<sup>th</sup> January 2021. Refer to Version 2 Updated Circular (27<sup>th</sup> October 2020) Guidance on Remote Audits due to Covid-19 Pandemic Restrictions, the audit was conducted remotely by using Google Meet Application after risk assessment done by GGC.

As per audit date, the Malaysian Government did announce that the Movement Control Order (MCO) ended 04<sup>th</sup> February 2021 has been extended for a period of 05<sup>th</sup> February 2021 until 18<sup>th</sup> February 2021 except for Sarawak.

With reference to the 1<sup>st</sup> Federal Government Gazette (9<sup>th</sup> 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 a 1<sup>st</sup> Standard Operating Procedure for “Persijilan bagi Agrokomoditi” dated 12<sup>th</sup> June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

## 1.9 Audit Plan Information

<b>Audit Date</b>	17 <sup>th</sup> February 2021
<b>Name of site(s) visited</b>	Timora Palm Oil Mill
<b>Total number of man-days spent</b>	3 man-days



**1.10 Audit Result Summary Findings****Findings category**

<b>Category</b>	<b>Numbers</b>	<b>Status (Closed/Open/Not Applicable/No Action Requires)</b>
Major Nonconformities	0	No action requires
Minor Nonconformities	0	No action requires
Area of Concern	1	No action requires
Noteworthy /Positive Comments	5	No action requires

**1.11 Stakeholder Consultation**

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01<sup>st</sup> August 2017; Stakeholder Consultation Requirements for Certification Bodies Operating Oil Palm Management Certification, the stakeholder consultation shall be carried out in stage 2 and recertification audit cycle of the management unit. During this Annual Surveillance 2 audit, the audit team has conducted internal stakeholder consultations as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements.

The meeting was conducted without the present of mill management. During the meeting, 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 complaint or feedback received during the audit when interviewing with the internal stakeholders. There were also positive statements made by the participants on the effect of MSPO implementation to the society.

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"> <li>They have good understanding about MSPO.</li> <li>They have good understanding about complaint and grievance mechanism.</li> <li>PPE given by company – free.</li> <li>They were treated equally with no discrimination based on gender.</li> <li>They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs.</li> </ul>	No action requires	Positive findings

		<ul style="list-style-type: none"> <li>They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1,100.00 per month and understand all the deductions being made.</li> </ul>		
2.	Stakeholders B (Workshop Gang)	<ul style="list-style-type: none"> <li>Good understanding about MSPO.</li> <li>They are very happy with the management and hopes to extend their contract.</li> <li>They have good understanding about complaint and grievance mechanism.</li> <li>PPE given by company – free.</li> <li>They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1,100.00 per month and no issue on wages received as well as the deductions made.</li> </ul>	No action requires	Positive findings
3.	Stakeholders C (Mill - Gender Committee Representatives)	<ul style="list-style-type: none"> <li>There was no discrimination, sexual harassment or violence case reported thus far.</li> <li>The Management is quite supportive on the Committee activities.</li> </ul>	No action requires	Positive findings

### 1.12 Recommendation

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

The management is committed to complying with the 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 2).

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During this audit assessment [based on MS

2530-4:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 4: General Principles for Palm Oil Mills , 0 NCR major, 0 NCR minor and 1 Area of concern 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 Timora Palm Oil Mill.

### 1.13 Date of Next Surveillance Audit

The Annual Surveillance Audit 3 (ASA 3) visit will be scheduled before 9-12 months from the date of Annual Surveillance Audit 2 (ASA 2)

### 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 audit assessment will be approved by the client prior to publication.

### 1.15 Abbreviations Used

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

POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil

## 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** The MSPO Policy has been established and signed by Mr. Chia Kee Loong, Chief Executive Officer dated April 2018

The policy clearly states Glenealy Plantations Sdn Bhd groups commitment to sustainable development and continuous improvement on plantation and milling operations through MSPO standards implementation and principles as follows:

1. Management commitment and Responsibility
2. Transparency
3. Compliance to Legal Requirements
4. Social Responsibility, Health, Safety and Employment conditions
5. Environment, Natural Resources, Biodiversity and Ecosystem Services
6. Best Practice

As per audit and interviews with Palm Oil Mill workers and staff, all of them are aware and answered to auditors very well about the MSPO Policy. Based on interview with Person in charge, Palm Oil Mill displayed the policy on the notice board and in front of the Palm Oil Mill office.

Series of External & Internal stakeholders meeting was conducted by the Palm Oil Mill management to communicate the Sustainability and Company Policies as follows;

Sighted the Internal Stakeholder Meeting conducted on 1<sup>st</sup> December 2020 at Muster Ground which was attended by all Palm Oil Mill workers and staff. The session was conducted by Assistant Manager, Palm Oil Mill. Minute meeting and attendance record are well maintained and compile in the meeting file for reference

Sighted the External Stakeholder Meeting conducted via online platform (email) to obtain the relevant feedback information about the company policies and procedures. Invitation letter was sent the respective stakeholder on 20<sup>th</sup> October 2020. All the respondent received from the questionnaire are well maintained and compile in the meeting file for reference.

**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** The policy clearly emphasizes its commitment to continuous continual improvement in para 1 of the policy which reads as follows:

As a responsible and sustainable palm oil producer, our group is committed to sustainable development and continuous improvement on plantation and milling operations through MSPO standards implementation and principles.

**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** Glenealy Plantations Sdn. Bhd. has established Internal Audit Procedure Doc No: TPOM/MSPO/P1-2, Rev 3 dated 27 April 2020 prepared by Mrs. Nur Erra Jharen, TPOM MSPO Coordinator and approved by Mr. S Subramanian, Mill Manager.

The Internal Audit procedure has outlined the followings steps:

1. Preparation of Audit Plan
2. Submission of Audit Plan
3. Conduct Audit
4. Audit Wrap up
4. Follow-up Audit
5. Audit Report input to Management Review

Based on the annual Internal Audit Plan, the Sustainability Department has planned to conduct the internal audit in September 2020

Sighted Internal Audit Plan dated 11<sup>th</sup> September 2020 prepared by Ms. G Sophea Sulaiman and approved Mr. Jose Mangaliag Jr @ Mohd Faizal (Senior Plantation Manager).

The latest internal audit was conducted on 15<sup>th</sup> September 2020 by Ms. G. Sophea binti Sulaiman (Lead Auditor), Mrs. Mahilah Damsik (Auditor), Ms. Irmah Abdul Rahman (Auditor). A total of 3 Major NC, 0 Minor NC and 2 AOC being raised by the Internal auditor team.

All non-conformities are closed within the stipulated period (90 days for Major and 12 months for Minor) and seen the Internal Audit Non-Conformity Forms signed by Manager, Palm Oil Mill.

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

Indicator 2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.
-------------	---

**Summary** Glenealy Plantations Sdn. Bhd. has established Internal Audit Procedure Doc No: TPOM/MSPO/P1-1, Rev 4 dated 24 April 2020 prepared by Mrs. Nur Erra Jharen, TPOM MSPO Coordinator and approved by Mr. S Subramanian, Mill Manager.



Sighted the action taken by the company for all the non-conformities raised by the Internal Audit team and subsequently all non-conformities have been closed accordingly.

The latest internal audit was conducted on 15<sup>th</sup> September 2020 by Ms. G. Sophea binti Sulaiman (Lead Auditor), Mrs. Mahilah Damsik (Auditor), Ms. Irmah Abdul Rahman (Auditor). Summary of findings as follows;

Type of non-conformity	Findings
Major	<p>1 – 4.5.1.5 – Management has not conducted any awareness program or briefing for environmental aspects for all Palm oil mill employees.</p> <p>2 – 4.5.2.1 – Diesel consumption rate or ratio is not relevant to the actual operation for year 2020 and need to be updated under the Energy Optimization Plan</p> <p>3 – 4.5.4.1 – No record of GHG calculation for the latest year of 2019 for Timora Palm Oil Mill</p>
AOC	<p>1 - 4.5.5.1 – Water management plan has been established by Timora Palm Oil Mill management. However, there is no timeline or person in charge stated.</p> <p>2 – 4.3.1.1 – TPOM has established a proper legal registers for all relevant laws that are applicable to Palm Oil Mill. However, there is no legal register fro the usage of petrol sighted.</p>

All non-conformities are closed within the stipulated period (90 days for Major and 12 months for Minor) and seen the Internal Audit Non-Conformity Forms signed by Manager, Palm Oil Mill.

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

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

### Summary

The internal audit report prepared by the internal audit team dated 15<sup>th</sup> September 2020 was prepared by Ms. G. Sophea binti Sulaiman (Lead Auditor), Mrs. Mahilah Damsik (Auditor), Ms. Irmah Abdul Rahman (Auditor).

The Internal Audit report was made available and discussed during the management review meeting dated 23<sup>rd</sup> December 2020, which was conducted at the Meeting Room TPOM. The minute meeting was prepared by Ms. Nur Erra Jharen (Laboratory in charge) and verified by Mr. S. Subramaniam (Manager, Palm Oil Mill) dated 23<sup>rd</sup> December 2020.

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



**Criterion 3 Management review**

**Indicator 1** The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

**Summary** The company has established Management Review Procedure Ref No MSPO-02 dated 27<sup>th</sup> April 2020 prepared by Ms. Nur Erra Jharen and approved by Mr. S. Subramaniam.

The management review meeting was conducted on 23<sup>rd</sup> December 2020, which was conducted at the Meeting Room TPOM. The minute meeting was prepared by Ms. Nur Erra Jharen (Laboratory in charge) and verified by Mr. S. Subramaniam (Manager, Palm Oil Mill) dated 23<sup>rd</sup> December 2020.

**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** Timora Palm Oil Mill has established a continuous improvement for the year 2020 / 2021 prepared Mr. Muhd Ariff bin Mustamin (Trainee Palm Oil Mill Engineer) and verified by Mr. S. Subramaniam (Manager, Palm Oil Mill).

Issue	Improvement Plan
The old fibre cyclone was too rusty and the vortex are not well functioned	Upgrading the new fibre cyclone with latest system of vortex principle
Unadequate of FFB cages	Provide new cages
Broken cement at railway of cages line	Re-Done the cement broken area / patching method
No supervision at the quarters area during night	Implementation of security system at quarters area
Unadequate furniture for staff housing	Provide extra furniture for staff – after approval from top management
Damaged drainage system	To repair the blockage / broken drainage system
House capacity was too small	Make room partion at the house
Covid 19 prevention procedure – wearing face mask at Palm Oil Mill compound	Provide free mask to all employees
High opacity reading which is content heavy duty particulate	Installing wet scrubber system or ESP system



More EFB & POME produced especially during high crop season	Application for new composting plant
Used ink cartridge thrown a domestic waste	Recycling the ink cartridge and restore in E-swis system.
Drainage system that exposing hazard due to uncover drainage	Implementation of safe cover for drainage system
No fencing at bunker ladder	Implementation of fencing at the railing
Some cable at effluent area didn't have any indicator relating to high voltage especially cable plant inside the ground	Proper signboard relating to high voltage to be place at area which can easily be seen by people
The signboard of safety awareness about steam spray at boiler too old and rusty	Replace new signboard with more longevity
As COVID 19 prevention method, need to control the social distance between workers	Mark certain area with high possibility of social distance
Petrol storage at housing area was too risk and dangerous as mostly workers store it in their house	Implement new petrol storage outside the house
Broken and unsafety platform	Create new platform
Two houses / one block share one fire extinguishers	To supply fire extinguisher for each house / door

**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** To improvise and regulate the clean air regulation by installing duct particulate collection. There are two technologies that is wet scrubber and ESP system by June 2021.

**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** The company has established procedure SOP N0. TPOM/MSPO/P2-2 titled Stakeholder Communication & Consultation for the purpose of stakeholder communication. The SOP last updated on 24 April 2020 has outlined process for stakeholder communication.

For year 2020, as of this audit period there is no request for information received by the Palm Oil Mill. Only complaints on facility breakdown are registered as sighted form titled "Complaints/Grievances/Request Form". Complaints received from stakeholder are addressed within period specified in SOP No. TPOM/MSPO/P4-2 titled "Complaints and Grievances Procedure" dated 24 April 2020 (Refer to indicator 4.4.2.1)

The Palm Oil Mill also communicates information related to its external stakeholders are takes place through annual stakeholder meeting. Sighted last external stakeholder meeting invitation sent to 20<sup>th</sup> October 2020 signed Senior Plantation Manager Mr. Jose Mangaliag Jr @ Mohd Faizal. Due to Covid-19 pandemic and MCO, the management conducted the session on 'on-line'. External stakeholder meeting is organized together with Palm Oil Mill and other estates under Glenealy Plantation Sdn. Bhd - Timora Complex.

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

**Indicator 2** Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes

**Summary** List of documents that are publicly available and those confidential are identified in SOP N0. TPOM/MSPO/P2-1 Rev.3 dated 27<sup>th</sup> April 2020 titled 'Document Transparency To 3<sup>rd</sup> Party Procedure', There are 19 "Confidential information" and 56 "Non-confidential information". Non-confidential documents can be made publicly available by the management.

Based on the interview with Person in-charge, confidential information will not be provided to the public unless agreed upon by the top management.

**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** The company has established procedure titled "SOP N0. MSPO-03 titled Stakeholder Communication & Consultation" outlining process of stakeholder communication. The procedure also has identified stakeholder list, stakeholder concerns and resolution

matrix, grievances form and request for information form as part of the communication mechanism.

The Palm Oil Mill conducts external stakeholder meeting on annual basis to communicate information that relevant to them. Last external stakeholder meeting was held on 20<sup>th</sup> October 2020. Due to Covid-19 pandemic and MCO, the management conducted the session on 'on-line'.

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

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

**Summary** Person in charge for consultation and communication is available. Sighted the appointment letter :

1. Timora Palm Oil Mill :  
Mr. Kavee Raaz Reddy, appointed on 16<sup>th</sup> November 2019

The person in charge is also responsible for all records of traceability. There are trained by Sustainability Department to maintain all the requirements.

**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** The stakeholder list is evident as documented in Document N0. PRP/TPOM/C3/02 titled List of Suppliers. The list includes:

- Government
- Statutory Bodies
- NGO's
- Suppliers & Contractors
- Surrounding Stakeholders
- Palm Oil Mill workers & staffs

The requests made will be processed / approved by Manager Palm Oil Mill / Manager or Assistant Manager. Sighted the above request and others as stated in the log book effectively responded by Palm Oil Mill management.

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

### **Criterion 3 Traceability**

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

**Summary** The company has established procedure SOP N0. TPOM/MSPO/P2-3 Rev. 3 dated 27<sup>th</sup> April 2020 titled 'Traceability'. The procedure has identified process for traceability from the phase of FFB transported from sources to the Palm Oil Mill until processed and dispatch as CPO/PK. The Palm Oil Mill office retains records of weighbridge ticket, dispatch ticket and dispatch note. Sighted following records retained by the Palm Oil Mill.

Estate's FFB Despatch Chit

- Estate Name : Amalania Estate
- FFB Despatch Chit No. : 164742
- Date : 23<sup>rd</sup> December 2020
- Despatch To : Timora Palm Oil Mill
- Field No. : 1999AF
- Vehicle No. : SD 3390 W
- Driver's Name : Jumardi

Weighbridge ticket

- Palm Oil Mill Name : Timora Palm Oil Mill
- WB Ticket No : 202009
- Date : 23<sup>rd</sup> December 2020
- Supplier : Amalania Estate
- Cross Wt, : 15,630 Kg
- Net Wt. : 6,590 Kg

Product (CPO) dispatch note

- Supplier : Timora Palm Oil Mill
- Buyer Name : Mewah Datu Sdn Bhd
- Transection No : 271992
- Date : 23<sup>rd</sup> December 2020
- Vehicle No. SAB6288CS882369L
- Driver name : Moh Ali Bad Duman
- Cross Wt, : 49,560 Kg
- Net Wt. : 32,250 Kg

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

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

**Summary** Traceability inspection is carried annually during SCCS internal audit. Last SCCS audit was conducted on 21<sup>st</sup> September 2020. The result shows compliance with company's traceability system.

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

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



**Summary** Person in charge for all records of traceability is available. Sighted the appointment letter :

1. Timora Palm Oil Mill :  
Mr.Muhammad Ariff B Mustamin, appointed on 22<sup>nd</sup> October 2020

There are trained by Sustainability Department to maintain all the requirements.

**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** Sighted following records maintained by the Palm Oil Mill

Product (CPO) dispatch note

- Supplier : Timora Palm Oil Mill
- Buyer Name : Mewah Datu Sdn Bhd
- Transection No : 271992
- Date : 23<sup>rd</sup> December 2020
- Vehicle No. SAB6288CS882369L
- Driver name : Moh Ali Bad Duman
- Cross Wt, : 49,560 Kg
- Net Wt. : 32,250 Kg

**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 legal list covered fully on the requirements that related to MSPO compliance. These documents include information on laws, enforcement bodies, main requirement, environmental aspect, standard, fine, person in charge, and compliance status. The company has established list of applicable laws and regulations that are applicable for Palm Oil Mill.

Sighted applicable license among other;

- MPOB License: 500274804000 [Expired on: 31<sup>st</sup> January 2022].
- Trading license: LD/2019/758 [Expired on 31 December 2020], been renew on 8<sup>th</sup> January 2021 and yet to be collected after MCO, due to Covid pandemic.
- Lesen untuk menggaji pekerja bukan Pemastautin, JKT.HKBN-4/1/1/01261/08100, expired on 31<sup>st</sup> July 2021.
- Permit Barang Kawalan Berjadual-Minyak Diesel, S000901 / KPDNHEP.LDT.900.3/1(01/1992)P, expired date 21<sup>st</sup> November 2021.

**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 company has established list of applicable laws and regulations that are applicable for Palm Oil Mill.

Sighted on list of legal register updated on monthly basis by Mrs. Nur Erra Jharen & Ms Nurul Aisyah, PIC under Legal Register Section will check and update the legal register as per the organizational chart. Last updated: 30<sup>th</sup> September 2020.

Sighted list of laws and regulations:

- Environmental Quality (Prescribed Activities) Environmental Impact Assessment order 1987.
- Sabah Water Resources Enactment 1998
- Environmental Quality Act 1974
- Environmental Quality (Prescribed Premises) Crude Palm Oil Regulations 1977.
- Environmental Quality (Clean Air) Regulations 1978.
- Malaysian Palm Oil Board 1998.
- Occupational Safety and Health Act 1994
- Factories and Machineries Act
- Police Act 1967
- Common Gaming Houses Act 1953.
- Betting Act 1953
- Arms Act 1960
- Electricity Supply Act 1990.
- Code of practice for safe working in confined space 2009.
- Uniform Building by Law 1986.
- Fire Services Act 1984
- Malaysian Laws on Poisons and Sale of Drugs
- Food Act 1983
- Petroleum (Safety Measures) Act 1984.
- Pesticide Act 1974 (Act 149)
- Care Centres Act 1993 (Act 506)
- Minimum Wages Order 2020
- Labour Ordinance (Sabah Cap. 67)
- Workers Minimum Standards of Housing & Amenities Act 1990.
- Workmen's Compensation Act 1952.
- Employees Provident Fund Act 2016.
- Companies Act 2016 (Act 777)
- Companies Act 1950 (Act 136)
- Akta Pekerjaan & Peraturan-Peraturan (Akta 265)
- Human Rights Commission of Malaysia Act 1999
- Children & Young Persons (Employment Act)
- Industrial Relation Act 1967
- Employees Social Security Act 1969



- Minimum Retirement Age Act 2012 (Act 753)
- Immigration Act
- Anti-Corruption Act 1997
- Penal Code (Act 574)
- Weights & Measures Act 1972 (Act 71)
- Local Government Act 1976
- Sabah Land Ordinance 1930

**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** Interview Mrs. Nur Erra Jharen, the person in-charge for updating any changes of applicable laws and regulations.

Sighted list last updated of legal register (15<sup>th</sup> January 2020) done on monthly basis by Mrs. Nur Erra Jharen and assist by Ms Nurul Aisyah.

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

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

**Summary** The Palm Oil Mill has appointed person in charge, Ms Nurul Aisyah Binti Sarah (SHO).

Sighted letter of appointment dated 16<sup>th</sup> November 2019, issued and approved by Mr. S. Subramaniam, Manager Palm Oil Mill.

**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** Land title for Palm Oil Mill is available and maintained by Pertasa Plantation Sdn Bhd. This Palm Oil Mill was demarcated and located in a plot of 8.80Ha of Pertasa Estate land title.

The land is country lease type, no: CL095311863. The copy of land titles is kept in the Palm Oil Mill office and were sighted during the audit. Period from 1<sup>st</sup> January 1979 till 31<sup>st</sup> December 2077.

Sighted RHB cheque no. 982903 ready for payment amounting of RM 72,012.00. The payment yet to be made, due to Covid pandemic.

Quit rent is paid by Timor Enterprise Sdn Bhd.

**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** Land title for Palm Oil Mill is available and maintained by Pertasa Plantation Sdn Bhd. Land title for Palm Oil Mill is available and maintained by Pertasa Plantation Sdn Bhd.

This Palm Oil Mill was demarcated with fence and the Palm Oil Mill area approximately is 8.80 Ha.

**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** Palm Oil Mill situated in Pertasa Estate, the area has permanent fence to separates Palm Oil Mill and estate area.

**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** The Palm Oil Mill was built in Pertasa Estate land. Thus, no disputes have been recorded in Palm Oil Mill area. There is no evidence of conflict present in this Palm Oil 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** The Palm Oil Mill was built in Pertasa Estate land. Thus, no disputes have been recorded in Palm Oil Mill area. There is no evidence of conflict present in this Palm Oil Mill.

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

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

**Summary** Sighted the maps for Palm Oil Mill. The maps were recorded and documented under land use rights.

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

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

**Summary** The Palm Oil Mill was built in Timor Enterprise Estate. Thus, no disputes have been recorded in Palm Oil Mill area. There is no evidence of conflict present in this Palm Oil Mill.

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

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

### Criterion 1 Social impact assessment (SIA)

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

**Summary** The Palm Oil Mill has established procedure for Social Impact Assessment (SIA) SOP No. TPOM/MSPO/P4-1, titled "Social Impact Assessment Guide" prepared by Palm Oil Mill's Laboratory in charge Ms. Nur Erra Jharen and approved by Manager Palm Oil Mill, Mr. S. Subramaniam dated 27<sup>th</sup> April 2020. Based on the procedure SIA to be carried out internally with effected parties or stakeholder on following factors:

- Access and use rights
- Economic livelihood and working conditions
- Subsistence activities
- Cultural and religious values
- Health and education facilities
- Other community values, resulting from changes in improvement of transport/communication/influx of migrant labour force.

Based on the above procedure, the Palm Oil Mill has conducted its SIA for year 2020. Questionnaires survey form titled "Borang Kaji Selidik" was used to assess impact from Palm Oil Mill operation to their stakeholders. Total of 16 questionnaires based on the above stated factors were replied by the participants surveyed. The survey results were summarized and analyzed by the Palm Oil Mill management and action plan has been identified to mitigate negative impacts. Sighted SIA report for year 2020 prepared by Mr. Kavee Raaz Reddy dated 1<sup>st</sup> December 2020.

**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** Complaints and grievances are addressed as per SOP No. TPOM/MSPO/P-04-2 titled "Complaints & grievances Procedure" dated 27<sup>th</sup> April 2020 prepared by Palm Oil Mill 's Laboratory in charge Ms Nur Erra Jharen and approved by Manager Palm Oil Mill, Mr. S. Subramaniam. The SOP has outlined process flow chart with time line to handle and manage complaints and grievance. Complaints to be resolved between 2 to 3 weeks.

Complaints received are recorded in "Borang Aduan/Permohonan" and entry is made " . Sighted two of the complaints recorded in "Complaint/ Request Summary Form" Log, Sighted "Borang Aduan/Permohonan", sample as follow:

1. Complaint made by : Mr. Alan
  - Complaint Details : Bulb fused
  - Date of complaint : 1<sup>st</sup> November 2020
  - Management response: replaced the bulb
  - Action completed on 1<sup>st</sup> November 2020
2. Complaint made by : Mr. Andy Bahar
  - Complaint Details : No water supply
  - Date of complaint : 7<sup>th</sup> November 2020
  - Management response: Supplied water
  - Action completed on 7<sup>th</sup> November 2020

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

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

**Summary** Complaints and grievances are addressed as per SOP No. TPOM/MSPO/P-04-2 titled "Complaints & grievances Procedure" dated 27<sup>th</sup> April 2020 prepared by Palm Oil Mill 's Laboratory in charge Mrs. Nur Erra Jharen and approved by Manager Palm Oil Mill, Mr. S. Subramaniam. The SOP has outlined process flow chart with time line to handle and manage complaints and grievance. Complaints to be resolved between 2 to 3 weeks. Most of the complaints sighted are addressed within 2 week time except for workers housing housing water supply issue.

Area Of Concern

Request for water supply persistently exist from mill workers as sighted from "Complaint/Request" forms and "Grievance/Summary Form" since November 2019 until September 2020. This is despite management has acquired additional water storage tanks for workers housing in year 2019 under its continuous improvement plan year 2018-2019.

**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** Complaints received are recorded in "Borang Aduan/Permohonan".

**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** Palm Oil Mill workers are briefed on the complaint mechanism as sighted from briefing record titled "Prosedur Aduan & Rungutan" for briefing conducted on 01<sup>st</sup> July 2020 during morning muster by Mr. Kavee Raaz Reddy attended by all Palm Oil Mill workers as per the training and attendance record. External stakeholders are briefed during external stakeholder annual meeting.

**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** The Palm Oil Mill retains complaint records of that it has received since implementation of the MSPO in year 2019.

**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** The Palm Oil Mill contributes for local development under the group (Timor Enterprise Sdn Bhd) as sighted from record of contribution :

- Donation of PPE including surgical mask, body scan thermometer, sanitizer and protective body suit worth of RM 179,950.00 to Tawau General Hospital in April 2020 for Covid19 fight
- Donation of 20,000 pcs of surgical mask and 1,225 pcs of protective body suit worth of RM 94,150.00 to Lahad Datu General Hospital in September 2020 for Covid19 fight
- Donation of RM 5,000.00 to District Disaster fund in October 2020

Besides monetary contribution by the group, the Palm Oil Mill also has organized " Blood donation Programme 2020" on 25<sup>th</sup> June 2020 association Lahat Datu Hospital.

**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** Company has established health and safety policy titled "Occupational Health and Safety Policy" signed by CEO of Glenealy Plantation Mr. Chia Kee Loong in April 2018. The OSH Policy has been communicated to Palm Oil Mill workers during morning muster.

Company's health & safety plans include OSH Policy, HIRARC, OSH Training programme, PPE, ERP, SDS, competent person, CHRA, annual medical surveillance,

first aid kit, Palm Oil Mill inspection, quarterly OSH meeting, OSH safe working SOP for handling chemicals, etc.

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

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

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:
  - i) all employees involved are adequately trained on safe working practices; and
  - ii) all precautions attached to products should be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

**Summary**

Company has established health and safety policy titled "Occupational Health and Safety Policy" signed by CEO of Glenealy Plantation Mr. Chia Kee Loong in April 2018. The OSH Policy has been communicated to Palm Oil Mill workers during morning muster.

The management has conducted HIRARC for 21 key activities of the Palm Oil Mill operation including office, grading, loading ramp, sterilizer, press, kernel plant, oil room, engine room, boiler, laboratory, workshop, etc. The documented HIRARC Register was last reviewed and updated on 26<sup>th</sup> August 2020 by Palm Oil Mill assistant, engineer Palm Oil Mill and safety supervisor and approved by Manager Palm Oil Mill, Mr. S. Subramaniam. The HIRARC registrar has identified OHS risk arise from its activities, analyzed risk level based on existing control measures and has recommended additional risk control to minimize its negative impacts to workers. The Palm Oil Mill also has established SOP outlining safety measures for 32 processes starting from Security until Empty Bunch press.

The company has established "Annual Training 2020/2021 identifying OSH Training programmes for Palm Oil Mill key activities such as working at height, workshop, First Aid, Boilerman, haring conservation, usage of PPE, fire drill, chemical handling, etc. Sighted some of the training records of OSH training conducted include:

- OSH Training for SOP Press Station & Kernel Plant conducted on 8<sup>th</sup> March 2020 by Mr. Mustapa Turuja attended by 9 Palm Oil Mill workers.
- Basic First Aid Training conducted company's medical assistant Ms. Miah Tubung on 16<sup>th</sup> March 2020 attended by 9 Palm Oil Mill workers.
- Chemical Handling Training conducted by external trainer Mr. Chong from Chem-Yields Co Sdn Bhd on 13<sup>th</sup> March 2020 attended by 13 Palm Oil Mill workers and 12<sup>th</sup> March 2020 attended by 12 workers.

Palm Oil Mill workers provided with free PPE and the Palm Oil Mill management retain records of PPE distributed to each of its employees under document titled "PPE Issuance & Inspection Record". Sighted PPE issuance record for following Palm Oil Mill workers.

- Palm Oil Mill operator Mr. Akhbar Tepu was issued with leather glove on 11<sup>th</sup> July 2020, cotton hand glove on 1<sup>st</sup> August 2020 and leather glove on 4<sup>th</sup> September 2020
- Palm Oil Mill operator Mr. Firman Bin Subair was issued with cotton hand glove and sponge mask on 2<sup>nd</sup> August 2020, leather glove on 4<sup>th</sup> August 2020, leather glove 11<sup>th</sup> September 2020 and 3M earplug on 30<sup>th</sup> September 2020

The company has established Chemical handling procedure is described in SOP No. TPOM/MSPO/P-4, Rev. 3 updated on 27<sup>th</sup> April 2020. In addition, the Palm Oil Mill also has established list of chemical and chemical register and retains copy of SDS for all chemicals used for the Palm Oil Mill operation.

Palm Oil Mill Safety Officer Ms. Aisyah Binti Sarah is appointed as person in-charge for the Palm Oil Mill's health & safety as sighted from letter of appointment dated 30<sup>th</sup> July 2018 issued by Senior Plantation Manager Mr. Muhammad Yaw Bin Abdullah.

The Palm Oil Mill has established OSH committee consists of 15 management representative and 15 workers representative chaired by Manager Palm Oil Mill, Mr. Subramaniam. Safety committee meetings are held quarterly basis to discuss on Palm Oil Mill's OSH related matters. Sighted OSH committee meeting minutes for meeting held on 20<sup>th</sup> November 2020 which was chaired by Manager Palm Oil Mill, Mr. Subramaniam and attended by 20 OSH committee members.

Emergency respond plan (ERP) for the Palm Oil Mill has been elaborated in SOP "Procedure Kecemasan" and "Plan Tindakan Kecemasan" Timora Palm Oil Mill. The Palm Oil Mill also has established name and employee contact telephone numbers for emergency use.

The Palm Oil Mill has 5 trained First Aiders namely Mr. Asmadi, Mr. Abd Rashid, Mrs. Nur Erra Jharen, Mrs. Normi and Mr Robyanto. Total of 4 First Aid Kits are placed at

strategic location within the Palm Oil Mill office, general store, WTP and Laboratory for any emergency use. Monthly inspection is carried out using "First Aid Kit Monthly Inspection Record" form to monitor the its contents as sighted from record of inspection done by Mrs. Nur Erra on 17<sup>th</sup> December 2020.

CHRA for the Palm Oil Mill operation was conducted on 20<sup>th</sup> May 2016 by a licensed assessor Ms. Christina Tiong Ching Ling (DOSH Reg. JKPP HIE 127/171-2(253)).

Last medical surveillance was conducted on 10<sup>th</sup> December 2019. This year medical surveillance has been delayed due to Covid-19 pandemic and restriction imposed by government under MCO, the Palm Oil Mill has planned to conduct annual medical surveillance on 24<sup>th</sup> February 2021 as sighted from memo issued by OSH registered Dr. Sarawana Kumar Subramaniam (JKPP no. HQ/17/DOC/00/0091) from I Borneo OSH Sdn Bhd,

The Palm Oil Mill monitors and retains accident & incident records. Sighted submission of JKPP 6 form for 1 Palm Oil Mill workers slip and fall on 20<sup>th</sup> June 2020 to DOSH through 'myjkkp@mohr.gov.my' and acknowledgment by DOSH. Also sighted submission of JKPP 8 form on 15<sup>th</sup> January 2021 to DOSH through 'Dosh website' and acknowledgment of receive by DOSH on the same day.

**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** The company has established policy on good social practices regarding human rights titled "Polisi Social & Hak Asasi Manusia" dated April 2018 signed by company's CEO Mr. Chia Kee Loong. The policy been communicated to workers through during morning muster briefing and also through display of safety policy in notice boards that located at various.

**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** Prohibition of discriminatory practices is stated in company policy titled "Polisi Social & Hak Asasi Manusia" dated April 2018 signed by company's CEO Mr. Chia Kee Loong." dated April 2018 signed by company's CEO Mr. Chia Kee Loong. The policy been communicated to workers through during morning muster briefing and also through display of safety policy in notice boards that located at various.

**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** Palm Oil Mill workers' salaries are paid as per minimum wage Order 2020. The management pays their Palm Oil Mill workers minimum wages of RM 1,100.00 per month. Sighted salary slip of Palm Oil Mill workers for the month of December 2020, for example :

- 1) Mr. R L  
Basic Salary : RM 42.31 / day  
Gross Salary : RM 1,184.70  
Net salary : RM 1,184.70
- 2) Ms. N K  
Basic Salary : RM 42.31 / day  
Gross Salary : RM 1,480.85  
Net salary : RM 1,184.70

All Palm Oil Mill workers are provided with individual employment contract. Sighted employment contract document titled "Kontrak Perkhidmatan" for the above worker Mr. R L and Ms. N K. The contract has specified terms and condition of employment which signed by both management and worker.

**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** There is no contract worker engaged by the Palm Oil Mill for its operation. All Palm Oil Mill workers are directly employed under the company.

**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** The Palm Oil Mill management has established "Employee Head Count" on monthly basis which contains detailed information of employees including full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

**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 Palm Oil Mill workers are provided with individual employment contract. Sighted employment contact document titled "Kontrak Perkhidmatan" for worker Mr. R L and Ms. N K. The contract has specified terms and condition of employment which signed by both management and worker.

**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** Workers attendances are recorded using punch-card system where information on worker comes to and leaving the Palm Oil Mill are recorded.

**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 Palm Oil Mill operates on two rotating shifts. Morning shift work starts at 7.00am and ends at 3.00pm with 30 minutes break from 9.30am to 10.00am). Afternoon shift starts at 3.00pm and ends at 11.00pm with 30 minutes break from 8.00pm to 8.30pm.

**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** Workers are provided with documented salary slip detailing working days, overtime, deduction etc. Refer to 4.4.5.3 for details.

**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** The company provides benefits such as free housing and subsidized water supply, in-house clinic free services for workers and family members, free transport for workers' school going children, etc.

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

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



**Summary** The company provides workers quarters for Palm Oil Mill workers. Worker with family is given one whole house while 2 bachelors share one house. Each house has two bed rooms, a living room, kitchen, and toilet and bathing facility. Housing inspection is done once a month by the Palm Oil Mill management.

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

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

**Summary** Company commitment to prevent sexual harassment stated in document titled "Polisi Gangguan Seksual" signed by company's CEO, Mr. Chia Kee Loong in April 2018.

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

**Indicator 13** The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.

**Summary** There is no Trade Union within the Palm Oil Mill. According to the Palm Oil Mill manager, there is no restriction from the management for its employees to form or join trade union.

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

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

**Summary** There is no of young person or children employed within the Palm Oil Mill as sighted workers list which contains date of birth and date of employment. The company's policy titled "Polisi Social & Hak Asasi Manusia" signed by company's CEO, Mr. Chia Kee Loong in April 2018 has stated "not to employ below 18 years".

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

## **Criterion 6 Training and competency**

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

**Summary** Training needs of individual Palm Oil Mill employees are assessed by the management at end of the year and establish training programme for the year. Sighted Palm Oil Mill training programme titled "MSPO & OSHE Annual Training Calendar January 2020 – December 2020" identifying Training programmes for key Palm Oil Mill activities such as harvesting, spraying, manuring, chemical handling (pre-mix), triple rinsing, water

treatment plant, genset operation, workshop, etc. The training programme includes SOP, PPE, SDS. Sighted some of the training records of OSH training conducted include:

- Training for Standard Operating Procedure for Marshalling Yard and Loading Ramp conducted by Mr. Karim Bidatupah and Mr Mustapa Turaja on 14 March 2020 and 6 March 2020 respectively attended by total of 15 operators.
- Training for Standard Operating Procedure for Press Station and Kernel Plant conducted by Supervisor Mr. Mustapa Turaja on 8 March 2020 attended by 9 operators.

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

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

**Summary** Training needs of individual Palm Oil Mill employees are assessed by the management at end of the year and establish training programme for the year. (Refer to clause 4.4.6.1)

**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 Palm Oil Mill has established annual training plan as per of continuous training programme.

**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** The Palm Oil Mill has established environmental policy in dual language, English and Bahasa, cover under Glenealy Plantations Sdn Bhd.

The Environmental Policy; Date on April 2018. Approved by Mr. Chia Kee Loong (Chief of Executive Officer).

- Comply with legislative requirements
- Comply with regulations concerning domestic waste, schedule waste and clean air emission

- Conserve and protect natural resources or waterways
- Enhancing well-balanced biodiversity of wildlife and natural habitat protection
- Ensure there is no open burning activity in our premises
- Develop individual responsibilities to ensure the environmental quality is protected
- Promote continues monitoring and improvement on environmental aspect and standards

The policy and the management plan have been communicated to the employee.

Sighted training records conducted on 1<sup>st</sup> November 2020 by Mr. Kavee Raaz Reddy (Engineer Palm Oil Mill). Attended by 84 employee including workers & management.

**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** TPOM maintains has established Environmental Management Plan, ref doc: TPOM/MSPO/P5-E2, prepared by Mr. Mohd Syzwan (Engineer Palm Oil Mill) and approved by Mr. Subra (Manager Palm Oil Mill) dated 2<sup>nd</sup> January 2020 to ensure the operation meets:

- Legal and legislation requirements
- Environmental policy
- Continuous improvement

The Palm Oil Mill also has established aspect impacts analysis covering all Palm Oil Mill operation as tabulated in page 9 of the same document. The aspect impact analysis covering the following subjects;

- Product, activities, services, infrastructure, facilities Environment Aspect/ Hazard
- Environment Impact/ Risk
- Assessment Condition (Normal or Abnormal)
- Applicable compliance regulation
- Control Measure
- Severity Likelihood
- RPN/RI
- Risk Level
- Management control measure
- Person in charge

**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** The Palm Oil Mill has identified the wastes and has plan to mitigate/promote the impact. This plan was tabulated in page 18 of the same document, Environmental Management Plan, ref doc : TPOM/MSPO/P5-E2.

Sighted the Environmental Impact Assessment, to mitigate the negative impacts and to promote the positive Management Action Plans and Continuous Improvement Programme, continuously update, as per page 27 of the same document.

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

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

**Summary** Observed that the positive impact has been included into the continual improvement plan. Sighted the program for continuous improvement plan includes:

- Education: Awareness training regarding environment issues such as zero burning, domestic wastes, recycles wastes and cleanliness of Palm Oil Mill and housing compound.
- Recycle : Plastic container reduction – Plastic Bottle

**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** Palm Oil Mill has a comprehensive annual training plan, dated 5<sup>th</sup> May 2020, prepared and approved by Ms. Nur Erra Jharen (Laboratory in charge) and Mr. S. Subramaniam (Manager Palm Oil Mill) respectively.

The training plan for 2019 and 2020 were sighted. Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.

**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** Sighted the latest "ENVIRONMENTAL PERFORMANCE MONITORING AND CONTROL COMMITTEE (EPMCC) MEETING" on 23<sup>rd</sup> December 2020 chaired by the Manager Palm Oil Mill, Mr. S. Subramaniam and attended by 12 Management Staff. Environmental issue was part of the meeting agenda.

The meeting discussed on training required related to GHG calculation and understanding.

**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** Sighted the monitoring usage of Diesel and Electricity consumption for the operation of the Palm Oil Mill.

The consumptions are monitored on a monthly basis and the baseline value were determined based on the previous year's data.

Sighted energy monitoring records for year 2019/2020 for electricity and diesel usage.

The Palm Oil Mill continuously monitoring the energy consumption and made justification of the usage.

For year 2019/2020 the data shown slightly increase as compare with the baseline value. This was due to the vary on the estimation forecast of FFB production of the previous year.

**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** The Palm Oil Mill has the projection consumption of diesel and electricity per FFB on annual basis based on the financial year.

The latest projected consumption for year 2020/2021 as below;

Diesel (ltr)	490,933.42
FFB (mt)	173,848.00
Diesel/FFB (ltr/mt)	2.82

Electricity (KWh)	151,641.87
FFB (mt)	173,848.00
Diesel/FFB (ltr/mt)	8.79

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

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

**Summary** The Palm Oil Mill uses by product of FFB production as renewable energy source where approximately 70% of fiber and 30% shell are extracted from FFB production.

The Palm Oil Mill has a composed plant where the FFB by-product are used as fertilizer.

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

**Criterion 3 Waste management and disposal**

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

**Summary** The Palm Oil Mill has identified types of waste and sources of the pollution following the procedure of Waste Management Plan, Ref No. TPOM/MSPO/P5-E3, dated 2<sup>nd</sup> January 2020

The procedure was prepared and approved by Ms. Nur Erra Jharen (Laboratory in charge) and Mr. S.Subramaniam (Manager Palm Oil Mill) respectively.

The wastes been identified among others were,

- Domestic Waste
- Recycle waste (Can, Plastics, Paper, Glass)
- Scrap metal
- Pesticide empty container after triple rinsing
- Used Tire
- Scheduled waste
- Industrial waste

and the sources of pollution are generated from:

- Workshop
- Chemical Store
- Laboratory
- Processing, General and Workshop
- Line site

The plan has included:

- Type of waste
- Sourced of Pollution/Waste
- Action to be Take
- Person in Charge

Example of action plan included in the waste management plan is to monitor workers housing complex, collect & record amount of SW and promoting recycling.

**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** The Palm Oil Mill has identified and documented the types of wastes that generated from its operation in Environmental Management Plan as documented in Waste Management Plan, Ref No. TPOM/MSPO/P5-E3, dated 2<sup>nd</sup> January 2020.

Recycling program in the Palm Oil Mill has been started and indicating the progress of the management in minimizing waste disposal to the landfill.

The plan has also identified source of pollution, impact, waste generated, management control, PIC- and Status.

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

**Indicator 3** The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.

**Summary** The Palm Oil Mill has established standard operating procedure for handling waste as evidence in procedure ref. no TPOM/MSPO/P5, "Waste Management Procedure".

The procedure was prepared and approved by Ms. Nur Erra Jharen (Laboratory in charge) and Mr. S.Subramaniam (Manager Palm Oil Mill) respectively, latest revision dated 27<sup>th</sup> April 2020.

Sighted schedule waste disposed by approved contractor, Lagenda Bumimas Sdn Bhd, on 19<sup>th</sup> December 2020 as below;

Consignment Note	Waste Classification	Quantity
B11791	SW429	0.2
B11790	SW102	0.07
B11789	SW109	0.068
B11788	SW305	0.72
B11792	SW410	0.144

Sighted Lagenda Bumimas Sdn Bhd, DOE license as below;

-License No.: 003441,"Menduduki atau Menggunakan Premis Yang Ditetapkan :Kemudahan Penstoran Luar Tapak Bagi Buangan Terjadual", expiry 30<sup>th</sup> April 2021



-License No.: 003442,"Menduduki atau Menggunakan Premis Yang Ditetapkan :Kemudahan Penstoran Luar Tapak:Pengumpulan dan Pemindahan/Pengangkutan Buangan Terjadual", expiry 30<sup>th</sup> April 2021

**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** All domestic waste collected from the workers housing complex are disposed in estate landfill.

**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** The assessment of polluting activities is identified and documented in the environmental impact assessment and management plan. From the EIA, it will be evaluated for the impact and any impact will be included in the management plan.

Data on the level of Greenhouse gases (GHG) emissions are monitored and compiled on yearly basis through the GHG calculation methodology accepted for RSPO and ISCC GHG calculations and certifications which are analyzed. As evidence, sighted the GHG Calculation for TPOM year 2020 using GHG Emissions Calculation Methods, RSPO PalmGHG Calculator, V.3.0.1.

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

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

**Summary** Action plan to reduce significant pollutants and emissions has been established as evident in environmental impact assessment and management plan for year 2019.

**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** The Palm Oil Mill is treating POME in accordance to the DOE Limits for final discharge into the land application to estate.

Sighted the license from DOE: 003470; ASSH(B) 31/152/000/112; Dated 01<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021.

Records confirms that the effluent treatment plant meets the requirements set by DOE (Jadual Pematuhan).

Verification from the documents confirms that effluent discharges are sampled on a monthly basis and founds meeting requirements set by DOE.

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

<b>Criterion 5 Natural water resources</b>	
<b>Indicator 1</b>	<p>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> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>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).</li> </ul>

**Summary** The Palm Oil Mill has established standard operating procedure for handling waste as evidence in procedure ref. no TPOM/MSPO/P5-E4, "Water Management Plan Procedure".

The procedure was prepared and approved by Ms. Nur Erra Jharen (Laboratory in charge) and Mr. S.Subramaniam (Manager Palm Oil Mill) respectively, latest revision dated 27<sup>th</sup> April 2020.

The source of water is from the water catchment pond. The water then treated in the water treatment plant for Palm Oil Mill activities and linesite.

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

<b>Indicator 2</b>	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 effluents are discharged through land application as approved by DOE stated in Jadual Pematuhan.

Verification from the documents confirms that effluent discharges are sampled on a monthly basis and founds meeting requirements set by DOE.

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

## 2.6 Principle 6: Best practices

### Criterion 1 Mill management

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

**Summary** The Palm Oil Mill processed all FFB from internal and outside suppliers. Palm Oil Mill Capacity is 60 Mt/hr and sterilization by vertical sterilizer. The actual utilization is 45mt/hr.

The Palm Oil Mill has implemented Good Milling Practice (GMP) as seen from the documentation and TPOM certified on HACCP, by SIRIM Berhad.

The Palm Oil Mill has established the SOP for Palm Oil Mill operation. The purpose of the SOP is to "menjelaskan secara terperinci proses kerja yang berlangsung secara rutin" The list of SOP as follows.

1. Security
2. Weighbridge
3. Office
4. Store
5. External Supplier/Visitors
6. Driver
7. Tractor Farm
8. Loading Ramp
9. Sterilizer Station
10. Marshalling Yard
11. Press Station
12. Kernel Plant
13. Oil Room
14. Boiler
15. Diesel Engine
16. Diesel Tank
17. Turbine
18. Laboratory
19. Workshop
20. Electrical
21. Raw Water Treatment
22. 22 Tertiary Treatment Plant
23. Effluent Plant
24. Emergency Response Plan
25. Accident Investigation Flow Chart
26. Emergency Number
27. MSPO Supply Chain Manual [Ref: TPOM/MSPO/SCCS/P019; Ver 1.0, dated Aug 2019, prepared by Ms Nur Erra J. and approve by Mr. S. Subramaniam, Manager, Palm Oil Mill
28. MSPO Non-conforming product [Ref: TPOM/MSPO/P2/P014; Ver 1.0, dated 24<sup>th</sup> Aug 2019.

Regular inspection and supervision are conducted by Station Operator, Supervisor, Executives as well as HQ Department.

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

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

**Summary** The Palm Oil Mill has been certified by MPOB Codes of Good Milling Practices (CoP) for Palm Oil Mill. The certificate valid until 1<sup>st</sup> May 2022. The code of Good Milling practice was developed by the Malaysia Palm Oil Board with the objective of providing guideline in the production, processing, handling, storage and transportation of crude palm oil.

As evidence the Palm Oil Mill is operating in accordance to Jadual Pematuhan Kualiti Alam Sekitar (DOE) Lesen No: 003470 valid till 30<sup>th</sup> June 2021 All the required laws in the "Jadual Pematuhan" complied.

Based on the site verification during audit assessment, the Palm Oil Mill had implemented the operation according to the SOP such as workers PPE. Sighted various trainings done throughout the year to all Staff and Palm Oil Mill Workers.

**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** Timora Palm Oil Mill has an annual budget for the financial year 2020/2021. The Palm Oil Mill budget includes the projected FFB to be processed, CPO and PK production for the period of three years till 2022/2023. It is also incorporated items such as general charges, Palm Oil Mill maintenance, process shift labour, general services, processing cost, fixed assets, etc. Sighted documented Business and Management Plan prepared by Assistant Manager, Palm Oil Mill and verified by Manager Palm Oil Mill.

Sighted the 3 years business plan for the Palm Oil Mill.

FY	FY 2020/2021	FY 2021/2022	FY 2022/2023
FFB (MT)	167,016.00	172,026	177,187
Estimate Oil Extraction Rate, OER	22.40	22.45	22.48
Estimated Kernel Extraction Rate, KER	4.30	4.33	4.36
CPO (MT)	37,412.00	42,146.00	39,832.00
PK (MT)	71,817.00	74,487.00	77,254.00
RM FFB/MT	600.00	550.00	550.00
CPO/MT	3,600.00	3,200.00	3,200.00
PK/MT	2,400.00	2,000.00	2,000.00



Ex-Mill Cost Per Tonne	47.00	48.00	49.00
------------------------	-------	-------	-------

**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 price mechanisms will be based on the followings :

1. Discretion decision from the Palm Oil Mill Top Management and the General Manager (Sabah & Oil Mills)
2. The agreed rate stipulated in the contract agreement which has been signed by both parties.

The work contract for transport and services are based on negotiation and acceptance and sign by both management and contractor consider as fair, legal and transparent. Payments are made in accordance to the term and conditions stated in the contract and on a monthly basis. The documentation such as Contract agreement, payment voucher, work order, etc which clearly stated the pricing was maintained and kept by the Palm Oil Mill management for reference.

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

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

**Summary**

Sighted the agreement between the Timor Enterprise Sdn Bhd and MUI Enterprise for the contract of transportation of crude palm oil/palm kernel and other related products. All the contract agreements are kept in contractors file. Sighted the contract that sign by contractors with the company and payment record shown that the company pay fee to the contractors according the agreement. All the payments were made as per agreement. Terms and condition of safety, health and labor are included in the contract.

- Contractor : MUI Transport of Crude Palm Oil / Palm Kernal
- Contract Period : 1<sup>st</sup> May 2019 – 30<sup>th</sup> April 2021

Seen details on payment and the frequency of payment stated in the contract, as seen payment will be made within agreed payment term of 90 days upon submission of the monthly statement / 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 the Palm Oil Mill is certified under MSPO. Therefore, the contractor has been informed by Palm Oil Mill management to follow the MSPO standard requirement.

Sighted the contract agreement between Timor Enterprise Sdn Bhd and MUI Enterprise regarding on the transport out CPO to another premise. It was clearly stated under clause 7, "The transporter shall also comply with all rules and regulations set by Timor Enterprise Sdn Bhd regarding:

- a) Health & Safety Policy
- b) Sustainability Policy

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

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

**Summary**

Contract agreement of contractors are made available during the audit assessment as below:

Palm Oil Mill : Timora Palm Oil Mill  
Contractor : MUI Transport of Crude Palm Oil / Palm Kernal  
Contract Period : 1<sup>st</sup> May 2019 – 30<sup>th</sup> April 2021

Sighted the contract agreement of all contractors who signed a Contract agreement and approved by the General Manager (Sabah & Oil Mills)

The documentation was maintained and kept by the Palm Oil Mill management for reference.

**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 Palm Oil Mill is audited by Global Gateway Certifications Sdn Bhd auditor dated 17<sup>th</sup> February for Annual Surveillance Audit 2 (ASA2) by the qualified MSPO auditor. The Audit plan which has been received and accepted by the Timora Palm Oil Mill Management.

**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 management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 2) Palm Oil Mill management / Sustainability team provide full cooperation during the entire audit process.
- 3) Good relationship being maintained with surrounding smallholders and villages.
- 4) Palm Oil Mill workers able to brief their understanding on MSPO and capable to demonstrate their working procedure as per the SOP.
- 5) Good positive feedback received from internal stakeholders.



## Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
15 <sup>th</sup> February 2021	08:00 – 09:00	<ul style="list-style-type: none"> <li>➤ <b>Centralize Opening Meeting:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> </li> <li>➤ Confirmation of assessment scope and finalize Audit plan.</li> </ul>	MRB	JS BS
	09:00 – 13:00	<b>Pertasa Estate:</b> <ul style="list-style-type: none"> <li>➤ <b>Document review and interviews as applicable to this audit</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul> <p><i>[GGC recommends every 2 hours break session]</i></p>	MRB	JS BS
	13:00 – 14:00	<ul style="list-style-type: none"> <li>➤ <b>Lunch/Rest</b></li> </ul>	MRB	JS BS
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MRB	JS BS
	16:00 – 17:00	<ul style="list-style-type: none"> <li>➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.</li> </ul>	MRB	JS BS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
16 <sup>th</sup> February 2021	08:00 – 13:00	<b>Amalania Estate:</b> <ul style="list-style-type: none"> <li>➤ <b>Document review and interviews as applicable to this audit</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MRB	JS BS



		<ul style="list-style-type: none"> <li><i>[GGC recommends every 2 hours break session)</i></li> </ul>		
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MRB	JS BS
	14:00 – 16:00	➤ <b>Continue document audit:</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MRB	JS BS
	16:30 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.	MRB	JS BS

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
17 <sup>th</sup> February 2021	09:00 – 13:00	<b>Timora POM:</b> <ul style="list-style-type: none"> <li>➤ <b>Document review and interviews as applicable to this audit</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> <li><i>[GGC recommends every 2 hours break session)</i></li> </ul>	MRB	JS BS
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MRB	JS BS
	14:00 – 16:00	➤ <b>Continue document audit:</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MRB	JS BS
	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion.	MRB	JS BS
	16:00 – 17:00	➤ <b>Centralize Closing Meeting:</b> <ul style="list-style-type: none"> <li>➤ Chaired by the Lead Auditor</li> <li>• Presentation of findings by the audit team</li> </ul>	MRB	JS BS



		<ul style="list-style-type: none"><li>• Questions &amp; answers and Final summary by Lead Auditor</li></ul> <p>➤ <b>End of assessment</b></p>		
--	--	---	--	--



## Appendix B: Non-Conformity details

### Non-Conformities Identified During This Audit

<b>Major Nonconformities:</b>	Non-were raised during this audit.
-------------------------------	------------------------------------

<b>Minor Nonconformities:</b>	Non-were raised during this audit.
-------------------------------	------------------------------------

<b>Area of Concern:</b>	The following AOC's were raised for this audit.
-------------------------	---



<b>Company Name</b>	Glenealy Plantations Sdn Bhd – Timora Complex			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance 2	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	MSPO Part 4 : General Principles for Palm Oil Mills			
<b>Client Number</b>	GGC-G1-MSPO-2018			
<b>NC No. / Ref.</b>	G1/MSPO/AOC	<b>Date Detected</b>	17 <sup>th</sup> February 2021	
<b>Site(s) concern</b>	Timora Palm Oil Mill	<b>Target Completion</b>	-	
<b>Normative Reference and Requirement</b>	4.4.2.2 The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.			
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Water supply issue for Palm Oil Mill workers housing has not been resolved effectively.			
<b>NC Objective Evidence:</b> Request for water supply persistently exist from Palm Oil Mill workers as sighted from "Complaint/Request" forms and "Grievance/Summary Form" since November 2019 until September 2020. This is despite management has acquired additional water storage tanks for workers housing in year 2019 under its continuous improvement plan year 2018-2019.				
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b>  TIMORA PALM OIL MILL (Co. Reg No. 7998-H) Mill Manager Goharwaning A.T. Schramm		

<b>Non-Conformities Identified During Previous Audit [ASA 1]</b>
--

<b>Major Nonconformities:</b>	One NC was raised for this audit.
-------------------------------	-----------------------------------

<b>Minor Nonconformities:</b>	Non-were raised during this audit.
-------------------------------	------------------------------------

<b>Area of Concern:</b>	The following AOC was raised for this audit.
-------------------------	--

<b>Company Name</b>	Glenealy Plantation Sdn Bhd – Sabah Region			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance 1	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-G1-MSPO-2018			
<b>NC No. / Ref.</b>	G1/MSPO/AOC/01	<b>Date Detected</b>	27 <sup>th</sup> November 2019	
<b>Site(s) concern</b>	TPOM	<b>Target Completion</b>	-	
<b>Normative Reference and Requirement</b>	4.3.1.1 Area of concern  All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.			
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Required permits, license and applicable laws and regulations were not complied			
<b>NC Objective Evidence:</b>  Permit Barang Kawalan Berjadual for Skid Tank at TPOM was not made available due to submission for approval from BOMBA.				
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b> 		

## Appendix C: List of Stakeholders Contacted

### List of Stakeholders

#### Internal Stakeholders

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