

MY05207 Wawasan Sedar Sdn Bhd Audit Summary Report

Organization:	Wawasan Sedar Sdn Bhd		
Address:	<u>Wawasan Sedar Sdn Bhd</u> 7 th Floor Crown Towers, 88 Jalan Pending, 93450 Kuching, Sarawak Contact Person: Mr. William Tham Phone No : 082-345 033 / 019-886 7073 <u>Wawasan Sedar Palm Oil Mill</u> Lot 1, Block 5 & Lot 2 Block 5, Rasan Land District, Bintulu Division, Sarawak Malaysia		
Standard(s):	MS2530-4:2013 Part 4 : General Principles for Palm Oil Mills	Accreditation Body(s): DEPARTMENT STANDARDS MALAYSIA (DSM)	
Representative:	Mr Andrew Ak Esi (Mill Manager)		
Site(s) audited:	Wawasan Sedar Palm Oil Mill	Date(s) of audit(s):	6 th November 2018
Visit Type:	MSPO Audit Stage 2	Type of certification assessment	Main Audit
Lead auditor:	Dickens Mambu (DM) (LA)	Additional team member(s): Audit Member (AM)	Abdul Khalik (AK)
This report is confidential and distribution is limited to the audit team, client representative and the SGS office.			

1. Audit objectives

The objectives of this audit were:

- to confirm that the management system conforms with all the requirements of the audit standard;
- to confirm that the organization has effectively implemented the planned management system;
- to confirm that the management system is capable of achieving the organization's policy objectives.

2. Scope of certification

Processing of Fresh Fruit Bunch (FFB) and Production of Crude Palm Oil (CPO) and Palm Kernel (PK) in compliance to the MSPO Certification Standard MS2530-4:2013 Part 4: General Principles for Palm Oil Mills.

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	1 of 22	



Validation of processes for production and service provision

Has this scope been amended as a result of this audit? Yes No

This is a multi-site audit and an Appendix listing all relevant sites and/or remote locations has been established (attached) and agreed with the client Yes No

3. Current audit findings and conclusions

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives required by the standard(s). The audit methods used were interviews, observation of activities and review of documentation and records.

The structure of the audit was in accordance with the audit plan and audit planning matrix included as annexes to this summary report.

The audit team concludes that the organization has has not established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 2 Major 0 Minor

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

Granted / Continued / Withheld / Suspended until satisfactory corrective action is completed.

4. Previous Audit Results

The results of the last audit of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address any nonconformity identified. This review has concluded that:

- Any nonconformity identified during previous audits has been corrected and the corrective action continues to be effective.
- The management system has not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

5. Audit Findings

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives. The audit methods used were interviews, observation of activities and review of documentation and records.

The management system documentation demonstrated conformity with the requirements Yes No of the audit standard and provided sufficient structure to support implementation and maintenance of the management system.

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	2 of 22

The organization has demonstrated effective implementation and maintenance / improvement of its management system. Yes No

The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement. Yes No

The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system. Yes No

The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system. Yes No

Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard. Yes No

Certification claims are accurate and in accordance with SGS guidance N/A Yes No

6. Significant Audit Trails Followed

The specific processes, activities and functions reviewed are detailed in the Audit Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

Organization:	Wawasan Sedar Sdn Bhd (Palm Oil Mill)						
MPOB License No.:	500377904000			Expiry date:	31/08/2019		
Scope of Activity:	1. Menjual dan mengalih (FFB, PK, CPO, SPO) 2. Membeli dan mengalih (FFB) 3. Menyimpan (PK, CPO, SPO) 4. Mengilang (FFB)			Mill Capacity	80 mt/hr		
Date of certificate issued and validity:				Nil (New application)			
Other Sustainability certifications				Nil			
Proposed date of next surveillance audit				November 2019			
Visit Number:	02 (Stage 2)			Actual Visit Date:	5 th November 2018		
Visit Due by Date:	Nil			For auditor information only			
Lead Auditor :	Dickens Mambu (DM)						
Audit Member	Abdul Khalik Arbi (AK)						
Additional Attendees and Roles	NIL						
Standard(s):	MS2530-4:2013 Part 4 : General principles for Palm Oil Mills						
Audit Language:	English & Malay						
Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	3 of 22	

Audit Scope:	<p>1.The audit covered One (1) site performing the following scope: Operations, comprising of management systems, process of Fresh Fruit bunches (FFB), documentation and mill assessment.</p> <p>2. The audit covered all the MSPO 2530 Part 4 requirements with no permissible exclusion of clause in compliance to the standard document.</p>
---------------------	---

Organization:	Wawasan Sedar Sdn Bhd		
Address	<p>Wawasan Sedar Sdn Bhd 7th Floor Crown Towers, 88 Jalan Pending, 93450 Kuching, Sarawak</p> <p>Wawasan Sedar Palm Oil Mill Lot 1 Block 5 & Lot 2 Block 5, Rasan Land District, Bintulu Division, Sarawak Malaysia. Contact Person : Mr William Tham Phone No : 082-345033 / 019-8867073</p>		
Visit Number:	02 (Stage 2)	Actual Visit Date:	5th November 2018
Visit Due by Date:	Nil	For auditor information only	
Lead Auditor :	Dickens Mambu (DM) Tel :014 6962400		
Audit Member	Abdul Khalik Arbi Tel : 0138628187		
Additional Attendees and Roles	NIL		
Standard(s):	MSPO 2530-4:2013 Part 4: General Principles for Palm Oil Mills		
Audit Language:	English & Malay		
Audit Scope:	<p>1.The audit covered One (1) site performing the following scope: Operations, comprising of management systems, process of Fresh Fruit bunches (FFB), documentation and mill assessment.</p> <p>2.The audit covered all the MSPO 2530 Part 4 requirements with no permissible exclusion of clause in compliance to the standard document</p>		

Audit Objectives: To determine conformity of the management system, or parts of it with audit criteria and its:

- *ability to ensure applicable statutory, regulatory and contractual requirements are met,*
- *effectiveness to ensure the client can reasonably expect to achieve specified objectives and to identify as applicable areas for potential improvement.*

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	4 of 22	

Date	Time	SGS Team	Organisational and Functional Units/ Processes and Activities	Key Contact
5 th November 2018	7.55am	DM / AK	Arrive Bintulu (from Kuching)	DM /AK
5 th November	8.00am 9.30am 9.45am 10.00am	ALL	<p><u>Wawasan Sedar Palm Oil Mill</u></p> <p>Depart to Wawasan Sedar Palm Oil Mill Arrive Wawasan Sedar Palm Oil Mill Opening Meeting Audit Process (Document)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Principle 1: Management commitment and responsibility <input type="checkbox"/> Principle 2: Transparency <input type="checkbox"/> Principle 3: Compliance to legal requirements <input type="checkbox"/> Principle 4: Social responsibility, health, safety and employment condition <input type="checkbox"/> Principle 5: Environment, natural resources, biodiversity and ecosystem Services 	Mill Personnel

	4.00pm 4.30pm 6.00 pm		<ul style="list-style-type: none"> <input type="checkbox"/> Principle 6: Best practices <p>Site Visit</p> <p>Mill site and Facility, environment components, safety and health requirement, Workers living conditions etc.</p> <p>Auditor meeting</p> <p>Audit Closing</p> <p>End of MSPO Audit Stage 2</p>	
5 th November 2018	6.30 pm	DM/AK	Back to Bintulu Town	

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	5 of 22



Location and Maps

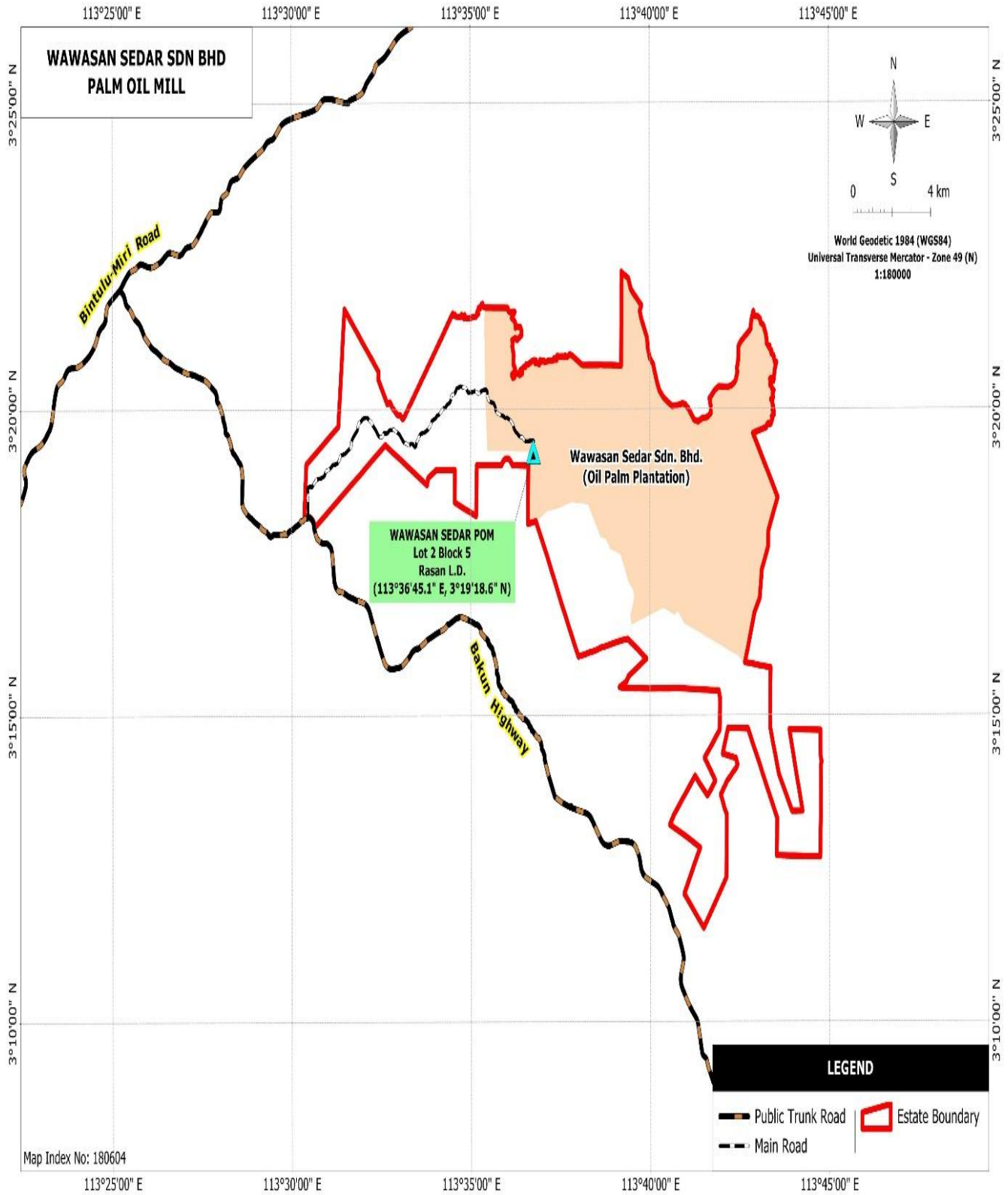
The GPS locations of the Palm Oil Mill are shown in Table 1.

Table 1: GPS Location

	Mill	Coordinate	Total Hectare (ha)	Capacity (mt/hr)
1	Wawasan Sedar Palm Oil Mill	113°36'45.1"E 3°19'18.6"N	14	80
Total Area			14	80

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	6 of 22

Figure 1: Wawasan Sedar Palm Oil Mill Locality Map



Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	7 of 22	

Description of Mill Production

The FFB are sourced from the estate which are individually managed by Wawasan Sedar Sdn Bhd. Production of CPO and FFB Processed are listed below in **Table 2**.

Table 2: Actual Mill Processing Data for Year 2018

Name of Mill	Month	Actual FY (2018)	Actual FY (2018)		Estimated (FY 2018)	Estimated (FY 2018)	
		FFB Received (MT)	CPO (MT)	PK (MT)	FFB Received (MT)	CPO (MT)	PK (MT)
Wawasan Sedar Palm Oil Mill	Jan	24,692.17	4,932.70	1,119.42	22,610	4,748	961
	Feb	18,800.33	3,856.39	820.40	19,560	4,108	831
	Mar	21,673.81	4,542.51	906.40	21,960	4,612	933
	Apr	28,554.79	6,104.19	1,207.48	24,930	5,235	1,060
	May	26,593.72	5,505.30	1,064.02	27,080	5,687	1,151
	Jun	24,515.57	4,736.80	1,013.03	27,370	5,748	1,163
	Jul	26,539.29	5,555.17	1,155.44	30,400	6,384	1,292
	Aug	31,089.62	6,243.32	1,433.16	35,160	7,384	1,494
	Sep	37,112.03	7,438.00	1,749.83	36,800	7,728	1,564
	Oct	35,898.91	7,445.95	1,614.41	36,490	7,663	1,551
	Nov	-	-	-	34,940	7,337	1,485
	Dec	-	-	-	28,440	5,972	1,209
	Total	275,470.24	52,503.94	12,083.59	345,740	72,605	14,694

Table 3: Actual and Projected Mill Processing Data

Name of Mill	CPO % (Actual FY 2018)	KER % (Actual FY 2018)	CPO % (Projected FY 2018)	KER % (Projected FY 2018)
Wawasan Sedar Palm Oil Mill	20.46	4.41	21.00	4.25

Stakeholder Consultation and List of Stakeholders Contacted

A public announcement was made 30 days prior to the audit.

<https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/-/media/e1f6151f68384743ab472353b6c345f2.ashx>

Stakeholder consultation took place in the form of meetings and interviews. Due to this is the main assessment, meetings with stakeholders were held in the respected mill office. Detail can be referred to **Appendix 1:**

Comment on MS2530-4 Compliance Status:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u></p> <p>The MSPO Policy was sighted available as per MSPO requirement dated 1st June 2018</p> <p>The policy contain commitment on MSPO requirement and also mention on continuous improvement in their operations.</p> <p>The policy was sign by two persons 1) Mr Cheng Huan Biew (General Administrative Manager). 2) Mr Andrew Ak ESI (Mill Manager)</p> <p>Dated: 1st June 2018</p> <p>The policy consist of 1. Safety & health 2. Environment 3. Good Social Practices 4.Harrasment and Violence Prevention</p> <p>Based interview with one of the staff 1) Name: Empajang Ak Peter Jang</p> <p><u>Internal Audit –</u> Internal audit latest conducted: 3rd July 2018.</p> <p>From mill internal audit, 2 Major NC and Nine Observation was raised. All findings was closed on 4th July 2018</p> <p>Among issues raised in the internal audit</p> <p>1.Safety and Health Components (Spill kits unavailability & HIRARC for chemical store not available) 2.Track Changes in the compliance to legal document</p> <p>Findings</p>
-------------------------------	---

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	9 of 22

	<p>1. Internal Audit procedure was not available (Before, During and after) 2.Mechanisms of follow up audit (Next audit) was not clearly indicate 3.Lead auditor and audit member competency</p> <p><u>Management Review –</u> The management review conducted on 7th July 2018 has the following ; discussed for the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification :</p> <ol style="list-style-type: none"> 1) Aaction from Internal Audit 2) Suitability of existing MSPO Policy 3) Information on the performance & effectiveness of the MSPO management system 4) The adequacy of current resources 5) Opportunities for improvement <p><u>Continual Improvement –</u> The Management review report on continual improvement includes the following:</p> <ol style="list-style-type: none"> 1) Dust emission system to be installed. Due by June 2019. (following the Environmental Quality –Clean Air regulation 2014) 2) Biogas plant to be built as per MPOB requirement by December 2020. 3) MPOCC requirement that all Palm Oil Mills be MSPO certified. 4) Fire Services (Fire Certificate) regulations 2001 – Obtain fire Cert
<p>Comment on Principle 2</p>	<p><u>Transparency of information and documents relevant to MSPO requirements –</u> The mill management will communicate all information requested by relevant stakeholders thru mill. This will be based on types of inquiry. All information relating to external stakeholder will be responded by HQ top management.</p> <p>The mill stakeholders communication flowchart was shown during audit Document No : SPOM 03-TM 03</p> <p>Thee management will communicate with interested stakeholders on information requested and reply accordingly.</p> <p>Latest Stakeholders meeting was recorded on 24th May 2018 and 22th June 2018.</p> <p><u>Transparent method of communication and consultation –</u> The company has established a Procedure on Local Sustainable</p>

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	10 of 22	

	<p>Development (SPOM-L3-SR03) dated 1st April 2018 for consultation and communication with the relevant stakeholders The document also includes a flow chart of ‘Request Info from Stakeholders and responses’</p> <p>Grievances Box was made available at the security main gate.</p> <p>Grievances procedure document: SPOM -L3- SR02 was made available at the site.</p> <p>List of external and internal stakeholders was made available on site which includes government agencies, companies, supplier etc.</p> <p><u>Traceability –</u> In the Mill Manual, the document for the implementation and maintenance of the requirements for traceability is documented.</p> <p>Traceability and Mass Balance It include the following sections:</p> <ol style="list-style-type: none"> 1) Purpose 2) Scope 3) Responsibilities 4) Definition 5) Procedure <p>They have a flowchart to show how to trace back a delivery form the FFB source.</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory Requirement –</u> Compliance to Applicable local state and national law</p> <p>It was observed the machineries validity was up-to-date; Some of the validity list as below under Factories and Machineries Act Perakuan Kelayakan Dandang : FMA 1967 Regulations 10 (2) No Pendaftaran: a)DG-113/2003 b) DG-66/2006</p> <p>MPOB License : No Lesen : 50037790400 Validity : 1/9/2018-31/08/2019 <i>1.License: menjual & mengalih</i> <i>2.Membeli & mengaih</i> <i>3.Menyimpan</i> <i>4.mengilang</i> <i>5.Mengeksport</i></p> <p>DOE Jadual Pematuhan : 03006 Tempoh Lesen: 1 July 2018-30 Jun 2019 Permit Barang Kawalan Berjadual : Q007336 (Diesel)</p>

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	11 of 22	

	<p><u>Land Use Rights –</u> Wawasan Sedar Palm Oil Mill located within Wawasan Sedar Estate complex. Overall Area: 14,000 hectares Lease of State Land Locality : Sg Rasan, Lavang Bintulu Classification : Mixed Zone Category : Country Land Land register : Date : 08/11/2001 Map Sheet No: G16 -22-4 Commencement and Expiry Date : 22/11/1995-21/11/2055</p> <p>Mill Complex Area Total Area : 14 ha Total Pond : 14 Treatment Plant : 1 Water Reservoir : 2 Housing Units : 78 unit</p> <p><u>Customary Land Rights –</u> The legal acquisition was proven via availability of land title from Land and Survey Sarawak.</p> <p>Commencement and Expiry Date : 22/11/1995-21/11/2055</p> <p>Registered Office : Bintulu</p>
<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment –</u> Wawasan Sedar Palm Oil Mill presented the stakeholders meeting minute, feedback and list of stakeholders attended.</p> <p>The stakeholders meeting has been conducted on 21st August 2018 with only attend by .Noted that total stakeholders are 21. The meeting conducted at Mill office.</p> <p>The meeting discussed on -MSPO certification introduction and briefing -Briefing on grievance procedure</p> <p><u>Complaint and Grievances –</u> It was observed the Standards Operation Procedure for complains and grievances procedure was available, which can refer in file Standard Operation Procedure (SOP).</p> <p>Document No : WSPOM -03-SR02/REV0</p> <p>Days complaint to solved : 30 days Person in charge : Mr Cheng Hua Biew</p>

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	12 of 22

	<p>Two complaint was recorded and sighted during audit.</p> <p>1.Tajim ak Katat -Comment no place to take break -No smoking Zone</p> <p>Issue settled : Designated area for recess and smoking was establish by mill management</p> <p>Issue solved and acknowledge by complainant :4th September 2018</p> <p>2.Jana ak Stia -Bus parking at housing area Issue solved and acknowledge by complainant: 5th September 2018</p> <p><u>Commitment to contribute to local sustainable development –</u> Commitment to local sustainable development :</p> <ol style="list-style-type: none"> 1. Supply electricity to estate 1 & estate 3 2. Supply water to estate 1 Divisyen 3. Supply electric and water to mill quarter. 4. school – SK Bt 18 & SK Bintulu 5.Transportation (general transport) 6. Donation to school dated 21st April 2018: SK Sg Kem Batu 18. 7. Donation to school – SK Sg Kem Batu 18 (material for stage building) <p><u>Employees Safety and Health –</u> Safety and health policy was incorporated within MSPO General policy.</p> <p>The Safety and health statement was signed by the Ms Adeline Lau Kor See (Director) dated 13th July 2018</p> <p>Among the safety objective :</p> <ol style="list-style-type: none"> 1.Provide safe working environment to the workers / staff 2.To train all employee to be aware of their own responsibility 3.To provide appropriate medical and first aid facilities to safeguard the health and ware fare of all our employees <p><u>Employment Condition –</u> In the Wawasan Sedar Palm Oil Mill policy on ‘Social and Community Policy ‘ signed by Mr Andrew Esi and Mr Cheng Hua Biew.</p> <p>The policy mentioned ‘Respect and Protection of Human Right of employees and eliminate discrimination in employment and promote equal right,”</p> <p>Interview with MS Irene (Senior Clerk) shows that she is aware with the policy.</p>
--	---

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	13 of 22	

	<p><u>Training and Competency –</u> The occupational safety and health plan known as ‘Annual Training Programme Jan – Dec 2018 ‘ cover the following:</p> <p>There are 27 topics listed in the training which include:</p> <ol style="list-style-type: none"> 1) Grading skills 2) Accident Reporting 3) Register of chemical Hazardous & chemical handling 4) HIRARC 5) ERP 6) First Aid Training 7) Confined space <p><u>Principle 4.4.4.2 (Major 1)</u> Safety measures is found to be lacking.</p> <ol style="list-style-type: none"> 1. Sharp object was found not covered inside Mill Complex (Maintenance Area) which can lead to hazard condition. 2. Sharp iron bar was found at the mill road near boiler. 3. Oxygen tank cylinder arrangement was found inadequate
<p>Comment on Principle 5</p>	<p><u>Environmental Management Programme –</u></p> <p>The management has provided Sustainability Policy which included environment component.</p> <p>The policy signed by General Administrative Manager (Mr. Cheng Hua Biew) and Mill Manager (Mr Andrew Ak Esi) dated :1st June 2018</p> <p>The policy commits to achieve environmental sustainability by</p> <ol style="list-style-type: none"> i. Safety and Health ii. Environment iii. Good Social Practices iv. Harassment & Violence Prevention <p>The management has provided continual improvement plan for Wawasan Sedar Palm Oil Mill for 2018.</p> <p>Item incorporate in the plan are list as below:</p> <ol style="list-style-type: none"> i. First Aid Training ii. Fire Fighting Equipment Training iii. Safety data sheet training iv. Driver Training and awareness v. HIRARC. <p>It was observed the training record was made available:</p> <ol style="list-style-type: none"> i. Training/ Course: Chemical Safety Management, dated 20th September 2018, time:10.00 am, venue WSPOM Conference room,

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	14 of 22	

	<p>which train by Mr. Empajang/ Sabih, attended by 21 attendees.</p> <p>The continual improvement plan will be monitored by the mill management through their quarterly meeting.</p> <p>Example: “<i>Mesyuarat Jawatankuasa Pengawasan Prestasi Alam Sekitar (ERCMC)(Bil: 1/2018)</i>”. Dated of meeting 19th October 2018, meeting room of WSPOM which attend by “<i>Ahli Jawatankuasa ERCMC Wawasan Sedar Palm Oil Mill</i>”</p> <p>The agenda discuss as below:</p> <ol style="list-style-type: none"> i. Environmental Improvement Projects ii. Effectiveness of environmental policy and follow up actions. iii. New environmental regulatory amendments and implications iv. Major initiatives on major non-conformance (NC) issue. v. Environmental impact on procurement and purchasing policies. <p><u>Efficiency of energy use and use of renewable energy –</u> On the Energy Optimization Plan, the management has provides diesel consumption record that shows diesel usage record as below:</p> <p>Usage of diesel record (Litres)</p> <table border="1"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> <th>2018*</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td>513,103</td> <td>645,269</td> <td>489,228</td> </tr> <tr> <td>Budget</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table> <p>*as September 2018</p> <p>Increasing usage of diesel due to low crop season where power plant not operation and it increasing usage of genset to generate power supply.</p> <p><u>Waste Management –</u> a)The management show record for its waste products in their 2018 inventories It was observed the Standard Operating Procedure for handling of used chemicals was made available at the mill premise. The document Name: Chemical Handling with Document ref no.: WSPOM-03-SH06/REV0 dated 2nd May 2018.</p> <p>Location of dumping site was made available</p> <p>During site inspection it was observed there was no scheduled waste inside the dumping site.</p> <p>It was observed the Waste management plan was made available with document name: Waste Management, Document Ref.: WSPOM-03-EN03/ REV0.</p> <p>Types of waste was list as below:</p>		2016	2017	2018*	Actual	513,103	645,269	489,228	Budget	Nil	Nil	Nil
	2016	2017	2018*										
Actual	513,103	645,269	489,228										
Budget	Nil	Nil	Nil										

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	15 of 22

	<ul style="list-style-type: none"> i. Domestic waste ii. Scheduled waste iii. Product waste: Empty Fruit Bunches iv. Product waste: Mesocarp Fiber v. Product waste: Palm Kernel Shell vi. Product waste: Palm oil mill effluent (POME) <p>Product waste: Decanter cake</p> <p><u>Reduction of pollution and emission including greenhouse gas –</u> The management has provided :</p> <ol style="list-style-type: none"> 1.Environment Monitoring report (stack- latest : July- December 2017 Stack Emission Monitoring Report 2.Environment Monitoring Report Incinerator : July – December 2017 Incinerator 1&2 3.Boiler Calibration latest 26th April 2018 <p>The Green House Gas Emission Monitoring record was made available via IPOM-L3-ENO01/F01.</p> <p><u>Natural Water Resources –</u> The management has provided 1.water testing analysis for drinking water (latest 9 March 2018) Document Title : Natural Water Resources : IPOM/L3/EN04 December 2017</p> <p>From the analysis, it was noted that the domestic water quality was within permit limit for water consumption based on National Water Quality Standard (NWQS)</p> <p>Boiler water monthly (Latest report : 10th April 2018)</p> <p>The monitoring of the implementation of water management plan is overall done by the Mill Manager.</p> <p><u>Principle 4.5.3.1 (Major 2)</u> Labelling of Waste Product was found to be inadequate. Date of waste generated was found missing at the used hydraulic oil (SW 306).</p>
<p>Comment on Principle 6</p>	<p><u>Mill Management –</u> The management has provided SOP on Mill Operations with regards to MSPO which includes:</p> <ol style="list-style-type: none"> 1.Environmental Aspect, Environmental Impact (WSPOM-L3-ML01) 2.Energy Management (WSPOM-L3-ML02) 3.Waste Management (WSPOM-L3-ML03)

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	16 of 22	

- 4.Natural Water resources
- 5.Employment (WSPOM-L3-ML01)
- 6.Training & Competency
- 7.Site Management (WSPOM-L3-ML01)
- 8.Hazard Identification, Risk Assessment, Risk Control (WSPOM-L3-ML01)
- 9.General Safety & Health
- 10.Personal Protective Equipment (WSPOM-L3-ML03)
- 11.Accident Investigation & Reporting (WSPOM-L3-ML04)
- 12.Emergency Preparedness and Response (WSPOM-L3-ML05)
- 13.Chemical Handling (WSPOM-L3-ML06)
- 14.Social Impact (WSPOM-L3-ML01)
15. Complaints & Grievances (WSPOM-L3-ML02)
- 16.Local Sustainable Development (WSPOM-L3-ML03)
- 17.Internal Audit (WSPOM-L3-ML01)
- 18.Management Review
- 19.Transparent Method
- 20.Traceability
21. Legal Requirements
- 22.Economic & Financial Viability Plan
- 23.Transparent & Fair price Dealing (WSPOM-L3-ML07)

Under No.7 Site Management for the Mill, there are Working Instructions Standard such as:

1. FFB Grading Manual (WSPOM-L4.1-ML02)
2. FFB Reception Station (WSPOM-L4.1-ML01)
3. Sterilization Station (WSPOM-L4.1-ML03)
4. Boiler Station (WSPOM-L4.1-ML09)

The SOP will be amended by the Head of Mill and approved by Top Management represented by Mr Andrew Esi, Mill Manager.

Economic and financial viability plan –

The management has provided 5 years production projection for year 2018-2023 (in MT).

Year	FFB	CPO	PK
2018	335,000	70,315	14,578
2019	360,000	72,570	15,045
2020	360,000	74,825	15,513
2021	360,000	76,055	15,768
2022	360,000	76,260	15,810

Transparent and fair price dealing –

The mill management receives FFB from internal supplier and related plantations which under the same group.

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	17 of 22	

	<p>Document No : WSPOM/HP/18</p> <p>Pricing mechanism: According to Mr. Terry Ng, the pricing mechanism for Wawasan POM for FFB purchase are spelt out in the Internal Contract Agreement as it receives crop from internal sources.</p> <p>Similarly for the sale of Crude Palm Oil and Palm Kernel Oil are spelt out in the Internal Contract Agreement.</p> <p>The refineries is also a sister company for the Wawasan POM.</p> <p>Refinery : Kirana Refinery.</p> <p><u>Contractor –</u> The management has provided list of contractors:</p> <ol style="list-style-type: none"> 1. Kunciraya Sdn Bhd for transporting of FFB 2. Metro Sepadan Sdn Bhd as sub-contractor for Kunciraya. 3. Nabbir Laboratory (Sarawak) Sdn Bhd for water sampling and laboratory 4. Kien San (Metal) Sdn Bhd for Scrap metal transportation and storage. (DOE licence N. 001739 and No. 001740). <p>The sign of agreement mentioned on MSPO compliances was sighted in the addendum of the contract agreement.</p>
--	--

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	18 of 22

7. Nonconformities

MS2530-4:2013 Part 4

Non Conformity	N° 1 of 2		Major 1			
	Date Recorded>	5 th November 2018	Due Date>	5 th January 2019	Date Closed>	20 th November 2018
Department / Function:	Palm Oil Mill		Standard Ref.:		MS 2530:4: Part 4 (Palm Oil Mill)	
			Indicator		4.4.4.2	
Document Ref.:	Criterion 4: Continual Improvement		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Safety measures is found to be lacking.					
Objective Evidence:	1. Sharp object was found not covered inside the Mill Complex (Maintenance Area) which can lead to hazard condition. 2. Sharp iron bar was found at the mill road near boiler. 3. Oxygen tank cylinder arrangement was found inadequate					
Close-out evidence:	1. Sharp object (working table at workshop) has been removed on 06/11/18. 2. Sharp iron bar protruding from the cracked cemented floor has been removed and cracked cement has been repaired on 06/11/18. 3. Oxygen tank cylinder (located beside workshop) has been properly chained on 06/11/18.					

Non Conformity	N° 2 of 2		Major 2			
	Date Recorded>	5 th November 2018	Due Date>	5 th January 2019	Date Closed>	20 th November 2018
Department / Function:	Palm Oil Mill		Standard Ref.:		MS 2530:4: Part 4 (Palm Oil Mill)	
			Indicator		4.5.3.1	
Document Ref.:	Criterion 3: Waste management and Disposal		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Labelling of Waste Product was found inadequate.					
Objective Evidence:	Date of waste generated was found missing at the used hydraulic oil (SW 306)					
Close-out evidence:	Date of waste generation for used hydraulic oil has been filled on 06/11/18, and objective evidence can be seen on site.					

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	19 of 22	

Nonconformities detailed here shall be addressed through the organization's corrective action process, in accordance with the relevant corrective action requirements of the audit standard, including actions to analyse the cause of the nonconformity and prevent recurrence, and complete records maintained.

- Corrective actions to address identified major nonconformities shall be carried out immediately and SGS notified of the actions taken within 30 days. An SGS auditor will perform a **follow up visit** within 60 days to confirm the actions taken, evaluate their effectiveness, and determine whether certification can be granted or continued.
- Corrective actions to address identified major nonconformities shall be carried out immediately and **records with supporting evidence sent to the SGS auditor** for close-out within 60 days.
- Corrective Actions to address identified minor non conformities shall be documented and sent by the client to the auditor within 9 months before next schedule annual surveillance for review. If the actions are deemed to be satisfactory they will be followed up at the next scheduled visit.
- Corrective Actions to address identified minor non-conformities have been detailed on an action plan and the intended action reviewed by the Auditor, deemed to be satisfactory and will be followed up at the next scheduled visit.
- Appropriate immediate action taken in response to each non-conformance as required.

Note:- Initial, Re-certification and Extension audits – recommendation for certification cannot be made unless check box 4 is completed. For re-certification audits the time scales indicated may need to be reduced in order to ensure re-certification prior to expiry of current certification.

Note: At the next scheduled audit visit, the SGS audit team will follow up on *all* identified nonconformities to confirm the effectiveness of the corrective actions taken.

8. General Observations & Opportunities for Improvement

Positive Observations:

- The support from Wawasan Sedar Palm Oil Mill personnel, especially the ground staff contribute to the smoothness and successful of the audit process.
- The spirit of unity and enthusiasm of the personnel towards achieving MSPO certification is impressive.
- The unit has dedicated staffs who are assets to the company. Their cooperative, knowledgeable and hospitality are commendable
- Organised documentation & highly commitment towards certification

Important Observations and Opportunities for Improvements:

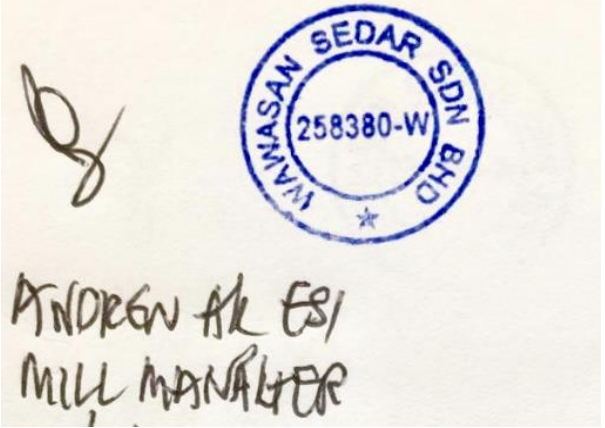
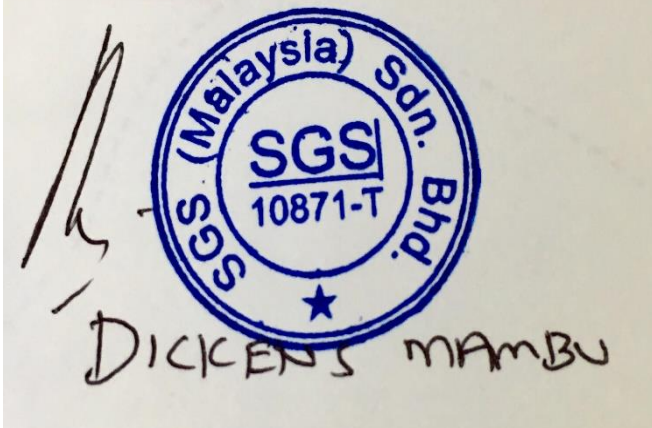
- The management should review the Standard Operation Procedure (SOP) for monitoring and continues improvement accordingly to ensure all aspect of the operation covered. Including grievance & complains SOP, safety & health SOP and domestic waste management SOP.

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	20 of 22

Appendix 2: List of Stakeholders Interviewed

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Guardian Sdn Bhd Mr Lingam Service Engineer	External	NIL	Good Comment
Kirana Palm Oil Refinery Mr Ting Moi Ngie Safety & QA Manager	External	NIL	Currently there is no issue with the mill operations.
Jabatan Keselamatan & Kesihatan Pekerja (JKKP) Mr Mohammad Firdaus Bin Abu Hassan Reinforcement Officer	External	NIL	No issue arise.
Wild Wildlife Fund (WWF)	External	Conversation via phone	However, no answer after numerous phone calls between 2.00 p.m. – 2.15p.m.

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	21 of 22	

Signed on behalf of Wawasan Sedar Palm Oil Mill	Signed on behalf of SGS Malaysia Sdn Bhd
 <p>Mr Andrew Ak Esi Mill Manager 5th November 2018</p>	 <p>Mr Dickens Mambu Regional Head Certification (Sarawak) Manager, Palm Oil Base (East Malaysia) 5th November</p>

Job n°:	MY05207	Report date:	05.11.2018	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	22 of 22	