

Woodman Group of Companies, Miri Region Audit Summary Report

Organization:	Woodman Group of Companies, Miri Region		
Address:	<p><u>Headquarters Address</u> Lot 306, Jalan Krokop 98000, Miri, Sarawak</p> <p>Contact person.: Ms Yvonne Then (Admin Assistant) Contact No.: 085-419321 ext. 147 Email: yw.then@woodman.com.my</p> <p><u>Estate Address</u></p> <p><u>Woodman Kuala Baram Estate Sdn. Bhd. (Adong Estate)</u> LPF/0004, Kuala Baram, Miri Division</p> <p><u>Woodman Kuala Baram Estate Sdn. Bhd. (Alan Estate)</u> LPF/0004, Kuala Baram, Miri Division</p> <p><u>Woodman Kuala Baram Estate Sdn. Bhd. (Baram Estate)</u> LPF/0004, Kuala Baram, Miri Division</p> <p><u>Woodman Kuala Baram Estate Sdn. Bhd. (Keruntum Estate)</u> LPF/0004, Kuala Baram, Miri Division</p> <p><u>Woodman Kuala Baram Estate Sdn. Bhd. (Bakong Estate)</u> LPF/0004, Kuala Baram, Miri Division</p> <p><u>Woodman Kuala Baram Estate Sdn. Bhd. (Drian Estate)</u> LPF/0004, Kuala Baram, Miri Division</p> <p><u>Woodman Kuala Baram Estate Sdn. Bhd. (Liku Estate)</u> LPF/0004, Kuala Baram, Miri Division</p> <p><u>Origrow Venture Sdn. Bhd. (Origrow Estate)</u> Lot 1, Block 7, Bakong Land District, Miri Sarawak</p> <p><u>Mill Address</u> <u>Woodman Kuala Baram Estate Sdn. Bhd. (Adong Palm Oil Mill)</u> LPF/0004, Kuala Baram, Miri Division</p>		
Standard(s):	MSPO MS2530-3:2013 Part 3 : General Principles for Plantation and Organized Smallholders MSPO MS2530-4: 2013 Part 4 : General		Accreditation Body(s): DEPARTMENT STANDARDS of MALAYSIA (DSM)

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	principles for Palm Oil Mills		
Representative:	Woodman MSPO Management		
Site(s) audited:	3	Date(s) of audit(s):	8th -10th April 2019
EAC Code:	Nil	NACE Code:	Nil
No. of Employees:	Estate: 716 Mill :154	No. of Shifts:	Mill : 2 shift
Lead auditor (LA):	Dickens Mambu (DM)(LA)	Additional team member(s) (AM):	Jeffrey Denis Ridu (JDR)(AM) Abdul Khalik Arbi (AKA)(AM)

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

Production of Fresh Fruit Bunches (FFB) for Plantations in compliance to the MSPO Certification Standard MS2530-3:2013 Part 3 : General Principles For Oil Palm Plantations And Organized Smallholders

Processing of Fresh Fruit Bunches (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

The audit covered the MS 2530:2013 requirements particularly MSPO Certification Standard **MS2530-3:2013 Part 3 and MS2530-4:2013 Part 4**

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.

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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: 0 Major 2 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 of the audit standard and provided sufficient structure to support implementation and maintenance of the management system. Yes No

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

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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:

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MPOB License No.:	APOM: 578622004000 Adong Estate: 571253002000 Alan Estate: 550621002000 Baram Estate: 550622002000	Expiry date:	APOM: 30/11/2019 Adong Estate: 31/03/2020 Alan Estate: 30/06/2020 Baram Estate: 30/06/2020
Scope of Activity:	<ol style="list-style-type: none"> 1. Menjual dan mengalih (FFB, PK, CPO, SPO) 2. Membeli dan mengalih (FFB, PK, CPO) 3. Menyimpan (PK, CPO, SPO) 4. Mengilang (FFB) 		
Visit Number:	02 (Stage 2)	Actual Visit Date:	8th -10th April 2019
Proposed Next Audit	February 2020		
Visit Due by Date:	Nil	For auditor information only	
Lead Auditor:	Dickens Mambu (DM)		
Audit Member	Abdul Khalik Arbi (AKA) & Jeffery Denis Ridu (JDR)		
Additional Attendees and Roles	Nil		
Standard(s):	MSPO MS2530-3:2013 Part 3 : General Principles for Plantation and Organized Smallholders MSPO MS2530-4: 2013 Part 4 : General principles for Palm Oil Mills		
Audit Language:	English & Malay		
Audit Scope:	<ol style="list-style-type: none"> 1. The audit covered Three (3) site performing the following scope: Operations, comprising of management systems, process of Fresh Fruit bunches (FFB), documentation and site assessment. 2. The audit covered all the MSPO 2530 Part 4 requirements with no permissible exclusion of clause in compliance to the standard document. 		

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Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
11 th April 2019 (Day 1)	7.00am 8.00 am	AKA, DM, JDR	Flight Kuching to Bintulu Arrived at Bintulu Airport	Estate Personnel
	8.00 am	AKA, DM, JDR	Depart to Semanok estate Arrive at Estate Opening Meeting Audit Process (Site Visit) <ul style="list-style-type: none"> • Principal 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principal 4: Social responsibility, health, safety and employment condition • Principal 5: Environment, natural resources, biodiversity and ecosystem services • Principal 6: Best Practice • Principle 7: Development of New Plantings 	Estate Personnel
	12.30pm		Lunch	
	1.00pm		Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	4.00pm		Auditor discussion with Auditee	
	5.00pm		End of Audit	
	6.00pm		Depart to Bintulu Town	

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Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
12 th April 2019 (Day 2)	7.00 am	AKA, DM, JDR	Depart to Usaha Estate Arrive at Usaha Estate Audit Process (Site Visit)	Estate Personnel
			<ul style="list-style-type: none"> • Principal 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principal 4: Social responsibility, health, safety and employment condition • Principal 5: Environment, natural resources, biodiversity and ecosystem services • Principal 6: Best Practice • Principle 7. New Planting 	
	12.30pm		Lunch	
	1.00pm		Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	4.00pm		Auditor Discussion	
	5.00pm		Closing Meeting	
	6.00pm		Depart to Bintulu Town	

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Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
13 th April 2019 (Day 3)	7.00 am	AKA, DM, JDR	Depart to Usaha Sepadan Palm Oil Mill Arrive at Usaha Sepadan Palm Oil Mill Audit Process (Site Visit)	Mill Personnel
			<ul style="list-style-type: none"> • Principal 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principal 4: Social responsibility, health, safety and employment condition • Principal 5: Environment, natural resources, biodiversity and ecosystem services • Principal 6: Best Practice 	
	12.30pm		Lunch	
	1.00pm		Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	4.00pm		Auditor Discussion	
	5.00pm		Closing Meeting	
	6.00pm		Depart to Bintulu Airport	

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Location and Maps

The GPS locations of the state are shown in Table 1.

Table 1: GPS Location

Supply Base / Estates:	Location Address:	GPS Coordinate(s):	Area Certified(HA):
Woodman Kuala Baram Estate Sdn. Bhd. (Adong Estate)	LPF/0004, Kuala Baram, Miri Division.	N 04°30'45.2" E 114°07'13.1"	4,177.00
Woodman Kuala Baram Estate Sdn. Bhd. (Alan Estate)	LPF/0004, Kuala Baram, Miri Division.	N 04°30'45.2" E 114°07'13.1"	3,966.05
Woodman Kuala Baram Estate Sdn. Bhd. (Baram Estate)	LPF/0004, Kuala Baram, Miri Division.	N 04°26'18.5" E 114°09'20.3"	4,368.43
Woodman Kuala Baram Estate Sdn. Bhd. (Keruntum Estate)	LPF/0004, Kuala Baram, Miri Division.	N 04°26'18.5" E 114°09'20.3"	4,071.41
Woodman Kuala Baram Estate Sdn. Bhd. (Bakong Estate)	LPF/0004, Kuala Baram, Miri Division.	N 04°22'10.9" E 114°12'34.6"	4,193.00
Woodman Kuala Baram Sdn. Bhd. (Drian Estate)	LPF/0004, Kuala Baram, Miri Division.	N 04°22'10.9" E 114°12'34.6"	4,060.34
Woodman Kuala Baram Sdn. Bhd. (Liku Estate)	LPF/0004, Kuala Baram, Miri Division.	N 04°22'23.6" E 114°05'05.2"	4,477.00
Origrow Venture Sdn. Bhd. (Origrow Estate)	Lot 1, Block 7, Bakong Land District, Miri Sarawak.	N 04°05'53.4" E 114°05'30.6"	2,023.10

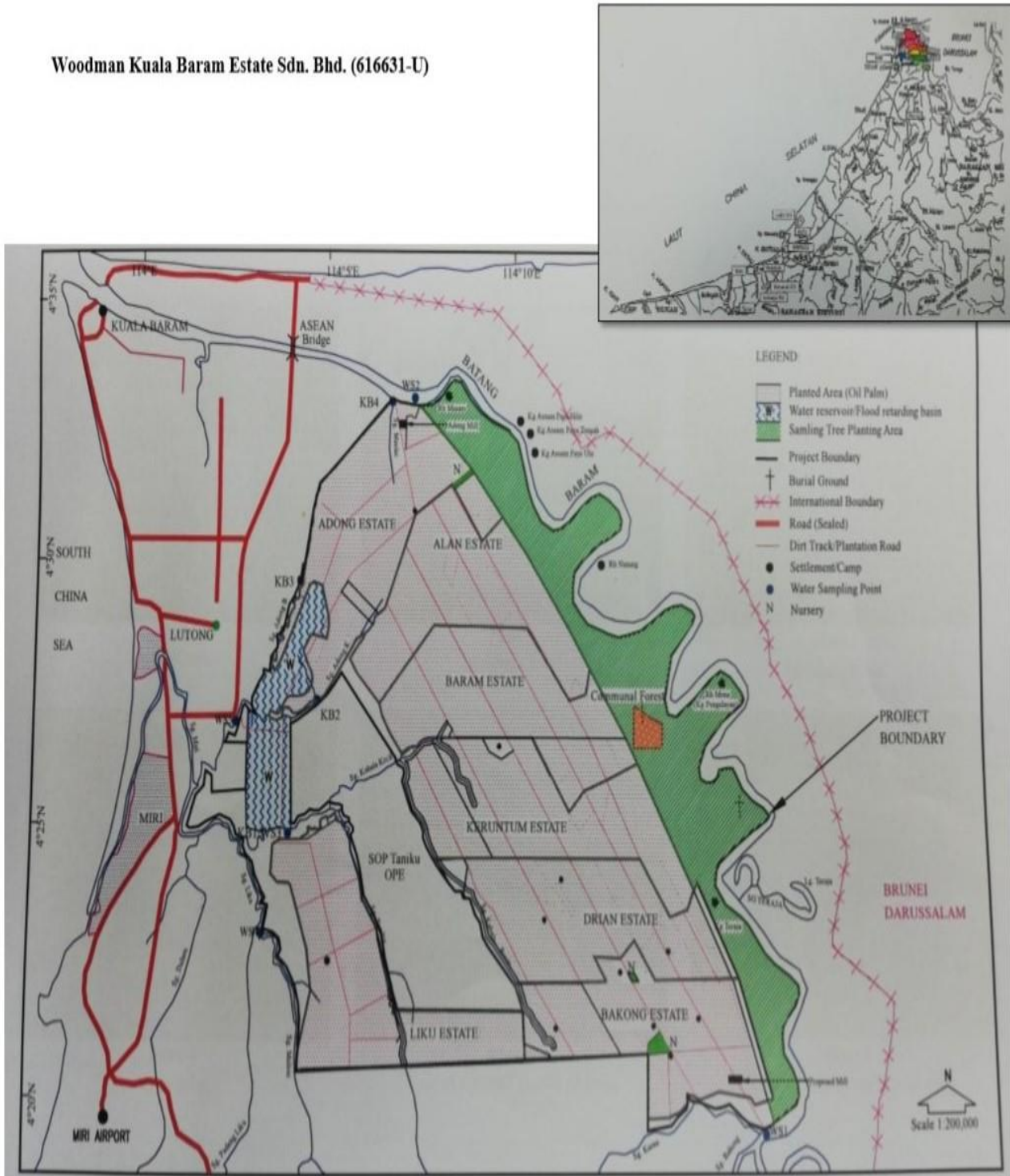
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Mill:	Location Address:	GPS Coordinate(s):	Mill Capacity:
Woodman Kuala Baram Estate Sdn. Bhd. (Adong Palm Oil Mill)	LPF/0004, Kuala Baram, Miri Division.	N 04°32'25.3" E 114°06'57.4"	90 MT/H

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Figure 1: Mill & Estate Locality Map

Woodman Kuala Baram Estate Sdn. Bhd. (616631-U)



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Description of Mill Production

The FFB are sourced from the estate which are individually managed by Woodman Group of Companies. The crop yield from these is mention in **Table 2** below.

Table 2: FFB Production

Mill	FFB Production (MT)		Projection
	Year 2017	Year 2018	Year 2019
Woodman Kuala Baram Estate Sdn. Bhd. (Adong Palm Oil Mill)	409,490.38	428,320.69	662,195.00

Table3: Actual and Projected Mill Processing Data

	Actual FY (2018)		Projected (FY 2019)	
	CPO (mt)	PK (mt)	CPO (mt)	PK (mt)
Woodman Kuala Baram Estate Sdn. Bhd. (Adong Palm Oil Mill)	73,316.23	13,268.27	112,573.15	19,865.85
	OER: 17.12%	KER: 3.10%	OER: 17.00%	KER: 3.00%

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/3D89ECFC5278435DA65647823890FD89.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 estate office. Detail can be referred to **Appendix 2:**

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Comment on MS2530-3 Compliance Status:

<p><u>Comment on Principle 1</u></p>	<p>An MSPO Policy statement states that the management of Woodman Kuala Baram Estate Sdn Bhd is committed to provide adequate resource and commitment towards the sustainability of the palm oil business by implementing MSPO and ensure that all levels of workforce and stakeholders are committed and understood the commitment towards MSPO certification according to principles. The policy was established on 1st August 2018 signed by the Director, Mr Kueh Chie Tiong. (Ref Doc No. MSPO/WKBE/MSPOP01/18 Rev No. 0)</p> <p>Based on the MSPO Policy Statement referred, the organization does highlight their commitment thriving for continual improvement their resources and technology to operate in sustainability manners.</p> <p>The policy is communicated to the workers during the first time of employment. The policy is displayed at the notice board in the office and made accessible to all employees.</p> <p>Latest Internal audit report was evident during the time of audit. The internal audit was led by Mr Tan Lee Phin and assisted by 4 audit members namely, Ng Kok Kwang, Tiong Chang Ga, Chong Fung Yen and Then Yee Woon.</p> <p>Internal audit date : 21 January 2019 No. Of NCs: 7</p> <p>Issue raised: No bund at chemical and POL store. Root Cause: Nil. Corrective action: Build the bund at the entrance of chemical and POL store.</p> <p>A non-conformity Report Form - NCR Form No. 02 NC Description: No bund at chemical and POL store. Corrective action: Build the bund at chemical and POL store. Expected completion date : 04/02/2019 Date NCR closed: 08/02/2019.</p> <p>Report was made to the management review during the management review on 31st January 2019.</p> <p>4.1.3 Criteria 3: Management Review During the audit, it was found that management review was done at Usaha Estate office. The Management review discuss:</p>
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	<ol style="list-style-type: none"> 1. Review of MSPO management system 2. Review of Internal Audit results 3. Status of improvement and/or corrective action and implementation of action plan. 4. Suitability of existing MSPO and company policies. 5. Opportunities for improvement.
<u>Comment on Principle 2</u>	<p>The Complaint and Grievance Procedure is available. Ref SOPWM-MP4 COMPLAINT AND GRIEVANCE</p> <p>The grievance and complaints box & forms were available at the estate office. Currently no complaints received.</p> <p>The Management Representative appointed for MSPO is Mr Nichlas Jermaine Bin Duou, Senior Plantation Manager and he is also the Social Liaison Officer. Appointment letters as per MSPO/WKBE(B)/ALMR01/18 dated 13/08/2018 and MSPO/WKBE(B)/ALSLO01/19 dated 16/02/2019 respectively.</p>
<u>Comment on Principle 3</u>	<p>The estate has listed all laws applicable to their operations in a legal requirement register as evident in List and Summary of Applicable Laws & Regulations.</p> <p>The list includes:</p> <p>Environment:</p> <ul style="list-style-type: none"> - Environmental Quality Act 1974 - Natural Resources and Environment Ordinance 1958 - Sarawak River Ordinance <p>Safety:</p> <ul style="list-style-type: none"> -Factories & Machinerics Act 1967 -Occupational Safety and Health Act 1994 -Pesticides Act 1974 <p>Social:</p> <ul style="list-style-type: none"> - Worker's Minimum Standards of Housing and Amenities Act 1990 - EPF Act 1991 - Minimum Wages Order 2016 - Employment and Insurance System Bil 2017 - Labor Ordinance Sarawak 1952 <p>Biodiversity :</p> <ul style="list-style-type: none"> - Wildlife Protection Ordinance 1998
<u>Comment on Principle 4</u>	<p>Usaha Estate Social Impact has been developed by estate personnel Mdm Missstina Ak Setia as admin clerk.</p> <p>Based on the report provided in the report, SIA report was done on questionnaire provided by estate management. The questionnaire was including:</p> <ol style="list-style-type: none"> a. Access and use rights b. Economic Livelihoods and working conditions c. Cultural and religious Values d. Health and Education Facilities

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With the SIA report, it also include issue raised and action plan to be taken to complete the complaints.

The report showed that the social impact assessment was done internally. Feedback from the workers can be verified in File 4.4 Social Responsibility, Health, Safety & Employment Condition.

Semanok Estate

Social Impact Assessment (SIA) was conduct by internally by the estate management. Based on the report, the content of SIA report list as below:

Based on the estate record, Standard Operation Procedure (SOP) for grievance and complaint was made available in the site office. The document can be verified in file 4.2 Transparency. And for Semanok estate it can be verified in File MSPO 9.0 – 11.

Woodman Group of Companies has established a **Policy Statement on Occupational Safety & Health Policy**. The policy has been signed by **Mr Kueh Chie Tiong (Director)** on 1st August 2018.

The policy is displayed in the Estate Office. From briefing record, it was sighted that safety and health aspects has been communicated to all workers through briefing session (muster ground).

The top management of Woodman Group of Companies is committed to implement the equal opportunity within their organization. Their commitment is clearly described with the statement indicated in the “Social Policy” established by the management.

There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is covered in the policy as well.

Usaha and Semanok Estates managed under Woodman Kuala Baram Estate Sdn Bhd and Woodman Kuala Baram Estatic will managed and maintain record all employees under the following documents :

Records verified during the audit were found contains the following details of information for every employees.

- Employee Name
- Date of Birth
- NRIC No.. (Malaysian)
- Passport No.

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	<ul style="list-style-type: none"> - Gender - Address - Designation - Date of Commence. - Details of terms and Conditions of Employment: <ul style="list-style-type: none"> ✓ Salary ✓ Notice of Termination ✓ Hours of Work ✓ Rest Day ✓ Public Holiday ✓ Annual Leave ✓ Sick Leave & Maternity Leave ✓ Duty ✓ Secrecy ✓ General Conduct ✓ Transfer ✓ Others Employment ✓ Age of retirement ✓ Housing ✓ Levy, Transport and Security Deposit ✓ Remuneration and Statutory/ Agreed Deductions ✓ Rules and Regulations <p>Minor 1 (4.4.4.1) The report showed that the social impact assessment was done internally, however some components were found lacking.</p> <p>Baram Estate It was found that in the SIA developed by Baram Estate, response was only taken from nearby community & internal stakeholders. The communication with other component of stakeholders (as in stakeholders list) on SIA component was found not available.</p>
<p><u>Comment on Principle 5</u></p>	<p>An Environment Policy Statement is available during site visit and was signed by Mr Kueh Chie Tiong (Director), Dated 1st August 2018</p> <p>Usaha Sepadan Estate NREB EIA Approval Ref No.: (15) NREB/6-4/166 Dated 20th June 2000, The reference number was quote from EIA Approval, Name: Usaha Sepadan Oil Palm Plantation at Lot 1, Block 15 of Kemena Land District, Bintulu Division, Sarawak. Environmental Impact Assessment report was conduct on 12th April 2000.</p> <p>It was observed the latest EMR 1st Quarter 2019 (January to March 2019), With reference No.: NREB/6-1/2G/21 by Ecosol Consultancy Sdn Bhd.</p>

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	<p>Semanok Estate NREB EIA Approval Ref No.: (11) NREB/6-4/250 Dated 4th February 2004, The reference number was quote from EIA Approval, Name: Extension of Woodman Oil Palm Plantation at Kuala Tatau, Bintulu Division, Sarawak. Environmental Impact Assessment report was conduct on November 200.</p> <p>It was observed the latest EMR 1st Quarter 2019 (January to March 2019), With reference No.: NREB/6-1/2G/30 by Ecosol Consultancy Sdn Bhd.</p>
<p><u>Comment on Principle 6</u></p>	<p>Standard Operating Procedures are available for the following:</p> <ol style="list-style-type: none"> 1. Harvesting Ref: SOPWM - OP8 Harvesting 2. Weeding Ref: SOPWM - OP7 Weeding 3. Manuring Ref: SOPWM - OP9 Manuring 4. Pest & Disease Ref: SOPWM - Pest and Disease 5. Chemical Handling Ref: SOPWM - OP6 Chemical Handling 6. Replanting Ref: SOPWM - OP1 Replanting 7. Water management Ref: SOPWM - OP2 Water management <p>It was observed the operation budget, activity programme FY Year 2019 was made available in the estate. It can be verified in Operation Budget, Plans and Programs with File code.: 6.2-DJ0-01-01</p> <p><u>Budget for both estates were presented during the time of audit.</u></p> <p><u>The budget included:</u></p> <ul style="list-style-type: none"> - <u>FFB Sale</u> - <u>LF Sale</u> - <u>Profit and Loss Statement</u> - <u>Expenditure and cost</u>

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Comment on MS2530-4 Compliance Status:

<p>Comment on Principle 1</p>	<p>The MSPO Policy which covers the whole group Woodman Group of Companies was sighted as per MSPO requirement dated 1st August 2018. It was signed by Mr Kueh Chie Tiong (Executive Director). Document No. MSPO/UPOM/MSPOP01/18.</p> <p>The MSPO Policy which covers the whole group Woodman Group of Companies was sighted as per MSPO requirement dated 1st August 2018. It was signed by Mr Kueh Chie Tiong (Executive Director). Document No. MSPO/UPOM/MSPOP01/18.</p> <p>Mill example : Usaha Sepadan Palm Oil Mill is committed to comply with the requirements of Malaysian Sustainable Palm Oil (MSPO) Standards in all its operation.</p> <p>The Policies are all displayed at office and other strategic places.</p> <p>Internal audit latest conducted: 22nd January 2019The internal audit was lead by Mr Tan Lee Phin and assisted by 4 audit members namely, Ng Kok Kwang, Tiong Chang Ga, Chong Fung Yen and Then Yee Woon.</p> <p>Report of internal audit was made available during mill management review. In the report, it indicate description of non-conformance, root cause, correction action and verification.</p> <p>The management review meeting was conducted on 28/01/2019.The meeting was conducted at Usaha Sepadan Mill office by Executive Director, Mr Kueh Chie Tiong, Mill Manager as Management Representative, Mr Wilfred Ajan and all MSPO committee members.</p>
<p>Comment on Principle 2</p>	<p>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 management will communicate with interested stakeholders on information requested and reply accordingly.</p> <p>Management documents for the mill are made publicly available upon request. Information can be accessed through the Woodman Group website. Website : www.woodman.com.my</p> <p>The company has established a Procedure on Consultation & Communication in Document No: SOP Consultation & Communication</p>

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	<p>Rev. No. 0 dated 22nd August 2018 for consultation and communication with the relevant stakeholders.</p> <p>The document also include a Visitor Briefing Form to be acknowledged by visitor.</p> <p>Grievance and complaints box and forms were made available at mill office. Grievances procedure document: SOP Complaint & Grievance Rev No. 0 dated 1st August 2018.</p> <p>The Management Representative appointed for MSPO is Mr Wilfred Ajan Ak Dennis, Mill Manager and he is also the Social Liaison Officer. Appointment letters as per MSPO/WKBE(B)/ALSLO03/19 dated 16/02/2019.</p>
<p>Comment on Principle 3</p>	<p>The management has provided List and Summary of Applicable Laws & Regulations revised on 18/01/2019.</p> <p>The management have provided legal register The key legislation are: Environmental Quality Act 1974 (Act 127) available Factories and machinery Act 1967 (Act 139) & Regulations & Rules available Labour Ordinance Sarawak (Act A1237)</p> <p>The mill management have provided a person in charge according to the law register on law compliance and monitoring of any changes. For mill, person in charge is Ms Tema Ak Munok.</p>
<p>Comment on Principle 4</p>	<p>Usaha Sepadan and Semanok Palm Oil Mill Social Impact has been developed by estate personnel Mdm Missstina Ak Setia as admin clerk due to within same area. For Semanok POM SIA was developed Ms Chieng Wah Ling (office incharge).</p> <p>Based on the report provided in the report, SIA report was done on questionnaire provided by estate management. The questionnaire was including:</p> <ul style="list-style-type: none"> a. Access and use rights b. Economic Livelihoods and working conditions c. Cultural and religious Values d. Health and Education Facilities <p>With the SIA report, it also includes issue raised and action plan to be taken to complete the complaints.</p> <p>The report showed that the social impact assessment was done internally. Feedback from the workers can be verified in File Social Impact Assessment.</p> <p>Usaha Sepadan Palm Oil Mill Based on the estate record, Standard Operation Procedure (SOP) for grievance and complaint was made available in the site office. The document can be verified in file 4.2 Transparency. Currently Grievance and complaint was sighted list as below:</p> <ul style="list-style-type: none"> a. Mdm Mistina anak Setia

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	<ul style="list-style-type: none"> - Issue open 11.12.2018 - Tiada papan tanda disepanjang jalan. - Expected to be finish 1.02.2019 <p>Details of complaints/grievances, date and details of action taken has been recorded in the File Standard Operation Procedure.</p> <p>Complaint form was made available at site office along with the complaint form. The form and box was sighted at the front office Usaha Sepadan Mill and Semanok Mill.</p> <p>The mills has provided record of CSR for the year 2018. It was based on main company recorded. The CSR programmed was done under Woodman Companies of Group. The record was sighted at CSR estate file.</p> <p>Among Record of CSR shown during audit :</p> <ol style="list-style-type: none"> 1. Jamuan Makan Malam Tahunan Annual Dinner, dated 21st June 2018. 2. Donation for "Penerbitan Buletin Bagi mengisi Tabung Kebajikan, Pelajaran dan pembangunan persatuan rekreasi dana mal bekas kastam dan imigresen. <p>It was observed that all CSR request was filed in 4.4 Social Responsibility, Health Safety & Employment Condition. file with all request has been entertain by estate.</p> <p>Woodman Group of Companies has established a Policy Statement on Occupational Safety & Health Policy. The policy has been signed by Mr Kueh Chie Tiong on 1st August 2018.</p> <p>This policy was implemented at all group of company subsidiaries company under Woodman.</p> <p>The policy is displayed in the mill Office, mill area and labour quarters.</p> <p>Observed that the occupational safety and health plan covers the followings:</p> <ol style="list-style-type: none"> a) A Policy Statement of Occupational Safety & Health dated 1st August 2018 signed by Director. The policy is displayed in the Mill Office, mill area and labour line area. <p>Usaha Sepadan Palm Oil Mill</p> <p>It was sighted the safety and health meeting was conduct quarterly. The date of meeting conducted list as below:</p> <p>Year 2018</p> <ul style="list-style-type: none"> - 07th January 2018 (1st Meeting) - 16th May 2018 (2nd Meeting)
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	<ul style="list-style-type: none"> - 25th September 2018 (3rd Meeting) - 28th December 2018 (4th Meeting) <p>Year 2019</p> <ul style="list-style-type: none"> - 2nd April 2019 (1st Meeting) <p>Semanok Palm Oil Mill</p> <p>It was sighted the safety and health meeting was conduct quarterly. The date of meeting conducted list as below:</p> <p>Year 2018</p> <ul style="list-style-type: none"> - 24th January 2018 (1st Meeting) - 29th June 2018 (2nd Meeting) - 24th October 2018 (3rd Meeting) - 12th December 2018 (4th Meeting) <p>Year 2019</p> <ul style="list-style-type: none"> - 27th February 2019 (1st Meeting) <p>Agenda of the meeting list as below:</p> <ol style="list-style-type: none"> 1. Pengesahan minit mesyuarat. 2. Pekara-pekerja berbangkit 3. Laporan pemeriksaan tempat kerja 4. Laporan kemalangan <p>It was sighted one accident happened and reported to Department of Safety and Health (DOSH) via form JKPP6, personnel involved Mr. Denis Jeli Anak Saga. Based on that accident mill management had review the HIRARC involved, review was done on 22.0</p> <ol style="list-style-type: none"> 5. Latihan keselamatan dan kebersihan pekerjaan 6. Laporan kesihatan & kebersihan 7. Lain Lain pekara berkenaan keselamatan. 8. Penangguhan mesyuarat <p>Usaha Sepadan POM</p> <p>b) All operation risk was assessed and documented in the HIRARC Form. It can be verified, File 14.1 (HIRARC). List of operations assess as below:</p> <ul style="list-style-type: none"> - Back Pressure Receiver
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	<ul style="list-style-type: none"> - Pressure Sand Filter 1 & 2 - Hot Water Tank - Boiler (Feed Water Tank) - Boiler (Furnace – Ruang Pembakaran) - Boiler (Steam Drum & Mud Drum) - Boiler (Vaccum Dearator) - Boiler (Softener No.1 & No.2) - Etc <p>Risk assessment has been updated on 29.01.2019. Next review of the HIRARC will be on 1 December 2019.</p> <p>Semanok POM</p> <p>All operation risk was assessed and documented in the HIRARC Form. It can be verified, File Pengenalanpastian dan Penganalisaan Risiko di Tempat Kerja. List of operations assess as below:</p> <ul style="list-style-type: none"> - Pintu Pagar Kilang - Pejabat - Jejambat Timbang - Pemunggahan Buah - Workshop Mekanikal - Etc <p>Risk assessment will be updated based on accident occurred.</p> <p>Usaha Sepadan POM</p> <p>c) It was sighted Occupational Safety and Health (OSH) Plan 2019 was made available in the mill record. Currently, for year 2019. In the training programmed year 2019. Proposed training to be conduct list as below:</p> <ol style="list-style-type: none"> 1. Morning Briefing 2. First Aid Training 3. Training – Personnel Protective Equipment (PPE) 4. Training – Environmental Management Plan 5. Training- Handling Chemicals 6. Etc.
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It can be verified in File No. 16.1. Training record list as below:

1. Latihan Amalan 5S dalam Pengurusan Bengkel, dated 29.03.2019, time: 8.00 am, venue: Bengkel, attended by 14 attendees.
2. Latihan Pengurusan Buangan Terjadual, dated 3.04.2019, time: 11.00 am, venue: Stor Schedule Waste, attended by 4 attendees.

The individual training record was done all in summary for all workers. It clearly marking training had been attend.

Semanok POM

It was sighted Occupational Safety and Health (OSH) Plan 2019 was made available in the mill record. Currently, for year 2019. In the training programmed year 2019. Proposed training to be conduct list as below:

1. Morning Briefing
2. Mesyuarat keselamatan dan kesihatan pekerjaan
3. Pemeriksaan tempat kerja
4. Taklimat CHRA
5. Latihan kebakaran
6. Penilaian risiko, pengenalanpastian bahaya & kawalan (HIRARC)
7. Kempen keselamatan dan kebersihan.
8. Audiometric test
9. etc

It can be verified in File Program keselamatan & pengurusan kesihatan pekerja. It was sighted, the latest training conduct on 11th April 2019, training on Eyewash usage. The record of training can be verified in File Training and Competency.

Semanok Palm Oil Mill

d) It was sighted record of PPE was made available in the estate record. List of name samples as below:

- Mr. Denis Jeli ak Saga (Fireman), it was sighted after accident occurred on 20.01.2019, the management had do corrective action by provide him safety vest. PPE issuance record can be verified in File PPE Issuance record.

It verified in File No.14.

Usaha Sepadan and Semanok POM

e) The has a Safe Operating Procedure for handling of chemicals

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to ensure proper and safe handling and storage in accordance to OSH (Classification Packaging and Labelling) Regulation 1997 and OSH (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. SOP Name: Handling of Chemicals, Date Issued: 27th February 2019. The procedure covers (in example):

- Purpose
- Scope
- Responsibility
- Definition
- Reference
- Detailed Procedures
 - Handling and Storage
 - Issuing of Chemical or Solvent
 - Exposure Control and Personnel Protection
 - First Aid Measure
 - Safety Data Sheet
- Related Record

SOP can verified in the file No.: 14.1 9 (Usaha Palm Oil Mill) and File Standard Operation Procedure (Semanok Palm Oil Mill).

Usaha Sepadan POM

f) It was sighted appointment letter for safety and health committee available in the file No.14.1 Safety and Health Appointment Letter. List of the name list as below:

Mr Wilfed Ajan Ak Dennnis (Mill Manager) as Chairman.

Mr. Nicholas Banyang Ak Junggan(assistant Mill Manager) as Secretary.

Mr. Jakson Gayau Ak Gawie (Boilerman) as AJK.

Etc, Others member can be verified in File No.14.1

Semanok POM

It was sighted appointment letter for safety and health committee available in the file Minit Mesyuarat Ahli Jawatankuasa dan kesihatan Pekerja. List of the name list as below:

Mr Norrobbbee Garidth (Mill Manager) as Chairman.

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Mr. Jeffery Bagi Sli (Mill Supervisor) as member.

Mr. Dominic Kalang Lian (Mill Engineer) as member.

Mr Ng. Kok Kwang (Group Admin. Manager/ Safety Officer) as Secretary

Etc, Others member can be verified in File Minit Mesyuarat Ahli Jawatankuasa & Kesihatan Pekerja

Usaha Sepadan Palm Oil Mill

g) Regular safety & health meetings (every 3 months) have been conducted by Safety and Health Committee; where issues about safety and health are discussed. Minutes of meeting are available in File No. 14.1, item 14.1.2.3.

It was sighted the safety and health meeting was conduct quarterly. Latest meeting conducted on 2nd April 2019 (1st Meeting) attended by the committee members (workers representative and employer representative).

The members comprise of workers and mill staffs.

Semanok Palm Oil Mill

Regular safety & health meetings (every 3 months) have been conducted by Safety and Health Committee; where issues about safety and health are discussed. Minutes of meeting are available in File Minit Mesyuarat Ahli Jawatankuasa dan kesihatan Pekerja.

It was sighted the safety and health meeting was conduct quarterly. Latest meeting conducted on 27th February 2019 (1st Meeting) attended by the committee members (workers representative and employer representative).

The members comprise of workers and mill staffs.

h) Based on interview with admin clerk of Usaha Estate. Zero record of accident achieved, it can be verified in file JKPP 8 (Usaha Sepadan POM)

Usaha Sepadan Palm Oil Mill

i) Accident record 2018 : 0

Record of accident can be verified in file JKPP 8 (Usaha Sepadan POM)

Records of first aid training was conduct on 7.01.2019, time: 1200 pm at Conference room, Usaha POM. Attend by 23 attendees. The Trainer of the first aid train by Mr Robert anak

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	<p>Rantai (No.Ahli first Aider: 131000582) – expiry dated: 31.12.2021</p> <p>There was First Aider Personnel was available on site. All of the accident occur will handle by Mr Robert anak Rantai.</p> <p>First aid kit was available on site (workshop, store etc) and properly record.</p> <p>Semanok Palm Oil Mill</p> <p>Accident record 2018 : 0</p> <p>Record of accident can be verified in file JKPP 8 (Semanok POM)</p> <p>Records of first aid training was conduct on 3.01.2019, time: 2.00 pm at Conference room, Semanok POM. Attend by 12 attendees. The trainer of the first aid train by Ms Sherlyvia anak Nyambar.</p> <p>There was First Aider Personnel was available on site. All of the accident occur will handle by Mr Robert anak Rantai.</p> <p>First aid kit was available on site (workshop, store etc) and properly record.</p> <p>Usaha Sepadan and Semanok Palm Oil Mill</p> <p>J) Record of accident can be verified in file JKPP 8 and for Semanok Palm Oil Mill in File Rekod Kemalangan Penyakit Pekerjaan (NADAPOD)</p> <p>On-site living quarters are provided to general workers and staff. Observed that the living quarters are habitable and have amenities such as water, electricity etc.</p> <p>Finding: Housing area in mill were visited. The housing area for both workers and staff are habitable and amenities such as toilet, kitchen, water and electricity are provided.</p> <p>Total housing units at Usaha Sepadan POM: 54 Units</p> <p>Total housing units at Semanok POM: 54 Units</p>
<p>.Comment on Principle 5</p>	<p>An Environment Policy Statement is available during site visit and was signed by Mr Kueh Chie Tiong (Director), Dated 1st August 2018 Usaha Sepadan Palm Oil Mill</p> <p>It was sighted Jadual Pematuhan from Jabatan Alam Sekitar with</p>

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	<p>reference no.: AS(SWK)(B):31/152/000/035. No. Lesen 003075.</p> <p>Stack Emission Monitoring Report was sighted to monitor emission from Boiler No.1 . The latest report is coverd for July – December 2018. The report can be verified in File No.4.5.4A5.</p> <p>Semanok Palm Oil Mill</p> <p>It was sighted Sijil Kebenaran Bertulis (Pindaan) from Jabatan Alam Sekitar with reference no.: AS(SWK)(B):31/152/000/056 Jld.2 (04a). No. Sijil: SPE 33/2008.</p> <p>Minor 2 (4.5.3.3) Adong Palm Oil Mill</p> <p>It was observed the waste management plan was available in the mill management and managed to identify all waste products in the estate area.</p> <p>1. It was found scheduled waste from the laboratory was not properly labelled.</p> <p style="padding-left: 40px;">Example sighted: SW 410</p> <p>2. Improper labelling for Hexane and IPA</p>
<p>Comment on Principle 6</p>	<p>The management has provided SOP on Mill Operations with regards to MSPO, updated Jan 2019 which includes:</p> <ol style="list-style-type: none"> 1.FFB Grading - MS(01) 2.FFB Reception Station - MS(02) 3.Sterilization Station - MS(03) 4.Threshing Station - MS(04) 5.Press Station - MS(05) 6.Clarification Station - MS(06) 7.Kernel Station - MS(07) <p>The management has provided SOP on Mill Operations with regards to MSPO, updated Jan 2019 which includes:</p> <ol style="list-style-type: none"> 1.FFB Grading - MS(01) 2.FFB Reception Station - MS(02) 3.Sterilization Station - MS(03) 4.Threshing Station - MS(04) 5.Press Station - MS(05) 6.Clarification Station - MS(06)

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7. Kernel Station - MS(07)

8. Boiler Station - MS(08)

9. Power Station - MS(09)

10. Water Treatment Plant - MS(10)

11. Quality Control - MS(11)

12. Laboratory - MS(12)

The Standard Operating Procedure for Palm Oil Mill Ver. 1, Reference No. SOPUSPOM date issued 31/8/2018.

Under which are the following:

1. Internal Audit (MP1)
2. Management Review (MP2)
3. Compliance (MP3)
4. Complaint (MP4)
5. Communication (MP5)
6. Employment (MP6)
7. Occupational Safety and Health (MP7)
8. Training (MP8)
9. HIRARC (MP9)
10. Traceability - Weighbridge (OP1)
11. Traceability - Production (OP2)
12. Grading (OP3)
13. Social Impact Assessment Procedure (OP4)
14. Environment Management Plan (OP5)
15. Scheduled Waste (OP6)
16. Handling Chemical (OP7)
17. Handling Empty Containers (OP8)
18. Domestic Waste & Pit (OP9)

This SOP - Management Practice was developed for Sustainability requirements. It was prepared by Mill Engineer, reviewed by Admin. Manager and approved by Mill Manager.

The management provide record on mill standard operating procedure practices.

One of the components is cleaning of mill facility - CPO Storage Tank -

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	<p>Time based cleaning.</p> <p>Last Cleaning: 17/01/2019 start 16:00hrs and ended 27/01/2019 at 16:30hrs.</p> <p>The schedule can be referred to the Plan. Permit to Work is issued and approved by Mill Manager before commencing with the work, those major works and those involving work in Confined space.</p> <p>The mill management receives FFB from internal supplier and related plantations which under the same group.</p> <p>Document No: FFB Statement File.</p> <p>Pricing mechanism:</p> <p>According to Ms Tema, the pricing mechanism for Usaha POM for FFB purchase are spelt out in the Contract Agreement when it receives crop from external sources based on OER and KER.</p>
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7. Nonconformities

Corrective Action Request and Observation MS2530-3 Part 3: General Principles for Oil Palm Plantations and Organised Smallholders

Non Conformity	N°1 of 2		Minor 1			
	Date Recorded>	10 th April 2019	Due Date>	10 th June 2019	Date Closed>	10 th June 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.1.1	
Document Ref.:	MSPO Part 3		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Social Impact Assessment (SIA) was found inadequate.					
Objective Evidence:	<p>The report showed that the social impact assessment was done internally, however some components were found lacking.</p> <p>Baram Estate It was found that in the SIA developed by Baram Estate, response was only taken from nearby community & internal stakeholders. The communication with other component of stakeholders (as in stakeholders list) on SIA component was found not available.</p>					
Close-out evidence:	The management has submitted evidence on their communication with other stakeholder (contractor, nearby estate and nearby government agencies). It was sighted record of communication in term of explaining policies, grievances procedure and discussions on issue raised with the stakeholders.					

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Corrective Action Request and Observation

MS2530-4 Part 4: General Principles for Palm Oil Mills

Non Conformity	N°2 of 2		Minor 2			
	Date Recorded>	10 th April 2019	Due Date>	10 th June 2019	Date Closed>	10 th June 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 4 4.5.3.3	
Document Ref.:	MSPO Part 3		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Management of scheduled waste was found lacking					
Objective Evidence:	1. It was found scheduled waste from the laboratory was not properly labelled. Example sighted: SW 410 2. Improper labelling for Hexane and IPA					
Close-out evidence:	The management has submitted corrections on labelling for their schedule waste items. For corrective actions, it was sighted training and briefing for proper scheduled waste item was conducted by the mill management towards their storekeeper / person in charge.					

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 minor nonconformities shall be carried out immediately and **records with supporting evidence sent to the SGS auditor** for close-out 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 major non conformities shall be documented and sent by the client to the auditor within 60 days
- 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.

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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.

1. General Observations & Opportunities for Improvement

Positive Observations:

- The support from Woodman Team 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 hospitability 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.

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Appendix 2: List of Stakeholders Interviewed

Stakeholders Interview for Woodman Group of Companies

Stakeholder	Issue Raised	Remarks
Kirana Palm Oil Refinery External Mr yang Sie Ging (Logistic Manager) Mr Hii Wei Hung (Logistic Department)	No issue raised	Usaha Sepadan Palm Oil Mill Supply CPO & PK products to the company. Based on interview with stakeholder, the volume of CPO and PK was low and managed to maintain the quality of their product.
SLS East Malaysia Sdn Bhd Mr Goh Shi Huan Sales Representative	No issue raised	Supply – Bearing, and Grease, Oil Seal, power transmission product (Bearing, Lubricant, Conveyor Chain)
Teknologi Enviro Kimia Mr Roddy Anak Empari Assistant Water technology 014 597 5291	No issue raised	Supply Chemical Water Treatment Boiler Water Waste Water Quality of Water Domestic
JQ Biotech Ms Liew Li Yee Marketing & Admin Manager	No issue raised	Supply Bio Pesticide Peat area, blackworm, caterpillar
<u>Asiantech Water (M) Sdn Bhd</u> External Mr. Leslie Lah Supervisor	No issue raised	Repair and Upgrade existing water treatment plant
<u>BLD Sawai Palm Oil Mill 60mt/hr</u> External Mr. Hu Chung Lai Production Manager	No issue raised	3,500 tonne per month,
<u>San Hing Transporter</u> External	No issue raised	6 lorries Sent the FFB to Sawai Palm Oil

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Caroline Mujan Admin Assistant Mdm Wong Hee Ming (Director)		Mill FFB Transport Stone Transport Payment based on km
<u>KTS Trading Sdn Bhd</u> External Supplier Mr. Cheiu Ching Nguong Branch Manager, Miri	No issue raised	Supply tools such as chainsaw, machineries, spare part, sprayer, diesel (300,000 Liter) for whole BLD group
WWF <u>Interview via phone call</u> WWF-Malaysia (Sarawak Office) Tel: 082-247420/ 257420 Interview via phone (time call: 1 st Call: 2.32pm)	No issue raised	
Jabatan Keselamatan Kesihatan dan Pekerja (JKKP) Mr Mazidi Bin Gani Pemerisa kilang dan jentera 085-428151, Call: 12.30pm	No issue raised	Not available (Travelling)
Department of Environment (DoE) En Shahril Puan Zulaiha Cannot call 1428pm	No issue raised	No available

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Signed on behalf Woodman of Group Companies, Miri Region	Signed on behalf SGS Malaysia Sdn Bhd
 <p data-bbox="347 819 593 922">Mr. Kueh Chie Tiong Director 10th April 2019</p>	 <p data-bbox="912 819 1369 922">Mr. Dickens Mambu Regional Head Certification (Sarawak) 10th April 2019</p>

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