

MY04861 Tradewind Plantations Berhad Audit Summary Report

Organization:	Tradewind Plantations Berhad		
Address:	SBU Southeast Lot 6875, Jalan Kerja Ayer Lama, 68000 Ampang, Selangor. Sg Kachur Palm Oil Mill P.O Box 48, KM 22, Jalan Kota Tinggi-Kluang, 81907 Kota Tinggi, Johor		
Standard(s):	MS2530-3 Part 3: General principles for oil palm plantations and organized smallholders MS2530-4:2013 Part 4 : General principles for Palm Oil Mills	Accreditation Body(s): DEPARTMENT STANDARDS MALAYSIA (DSM)	
Representative:	Dr Shaikhah Sabri (Sustainability Manager)		
Site(s) audited:	Ladang Sg Kachur Ladang Penawar Ladang Semai Segar Ladang Sg Lebak Ladang Sisek Ladang Jaya Ladang Ulu Papan Sg Kachur Palm Oil Mill	Date(s) of audit(s):	27th -29th March 2018
Visit Type:	Stage 2	Type of Certification Assessment	Main Audit
Lead auditor:	Dickens Mambu (DM) (LA)	Additional team member(s): Audit Member (AM) Trainee Auditor (TA)	Abdul Khalik Arbi (AK) (AM) Khairil Annuar (KA) (AM) Jeffery Ridu (JR) (TA)
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

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

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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.

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

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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:	Tradewind Plantations Sdn Bhd		
Address:	Lot 6875, Jalan Kerja Ayer Lama, 68000 Ampang, Selangor.		
MPOB License No.:	Penawar Estate: 504240502000	Expiry date:	31/08/2018
	Lebak Estate: 501622602000		30/11/2018
Scope of Activity:	Menjual dan mengalih FFB		
Visit Number:	02 (Stage 2)	Actual Visit Date:	27-29th March 2018
Visit Due by Date:	Nil	For auditor information only	
Lead Auditor:	Dickens Mambu (DM) Tel :0168604545		
Team Member(s):	Abdul Khalik Bin Arbi (Training Auditor) (AK)		
Additional Attendees and Roles	Jeffery Ridu (JR) Khairil Anwar Razali (KAR)		
Standard(s):	MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders MS2530-4:2013 Part 4 : General principles for Palm Oil Mills		
Audit Language:	English & Malay		
Audit Scope:	1.The audit covered Three (3) site performing the following scope: Operations, comprising of plantation management systems, production of Fresh Fruit bunches (FFB), documentation and field assessment. 2.The audit covered all the MS2530-3:2013 Part 3 requirements with no permissible exclusion of clause in compliance to the MSPO Certification Standard		

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Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
26 th March 2018	PM	DM / AK / JR	Flight Kuching- Johor Bahru TBA	DM
26 th March 2018	PM	KAR	Arrive Johor Bahru Airport TBA	KAR
27 th March 2018	7.30 8.00 8.30 9.00 12.30pm 1,00 pm 6.00 pm	DM / JR /KAR/AK	<p>Penawar Estate MS 2530-3-2013 Part 3</p> <p>Breakfast Arrive Estate Opening Meeting Audit Process (Site visit)</p> <ul style="list-style-type: none"> • Principle 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and ecosystem services • Principle 6: Best practices <p>Lunch Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)</p> <p>End of day 1 Back to Guesthouse</p>	Estate Personnel
28 th March 2018	7.30 8.00 8.30 9.00	KAR/DM/AK/JR	<p>Sq Lebak & Sq Semai MS 2530-3-2013 Part 3</p> <p>Breakfast Arrived Estate Opening Meeting Audit Process (Site visit)</p> <ul style="list-style-type: none"> • Principle 1: Management commitment and responsibility • Principle 2: Transparency 	Estate Personnel

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	12.30pm 1.00pm		<ul style="list-style-type: none"> • Principle 3: Compliance to legal requirements • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and ecosystem services • Principle 6: Best practices <p>Lunch Continue Audit Process (Document review, Policies, local law compliances,deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)</p> <p>End of Day 2 Back to Guest House</p>	
	6.00pm			

29 th March 2018	7.00 am 8.00 am 8.15 am	DM/AK/KAR	<p><u>Sg Kachur Palm Oil Mill</u></p> <p>MS 2530-4-2013 Part 4 Breakfast Opening Meeting Audit Process (Documentation)</p> <ul style="list-style-type: none"> • Principle 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and ecosystem services • Principle 6: Best practices <p>Document review, Policies, local law compliances,deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)</p> <p>Lunch Auditor discussion and Preparation for Closing Meeting</p> <p>Closing Meeting</p>	Mill Personnel
	12.00pm			Mill Personnel

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	1.00pm		End of MSPO Audit	
	4.00pm			

Location and Maps

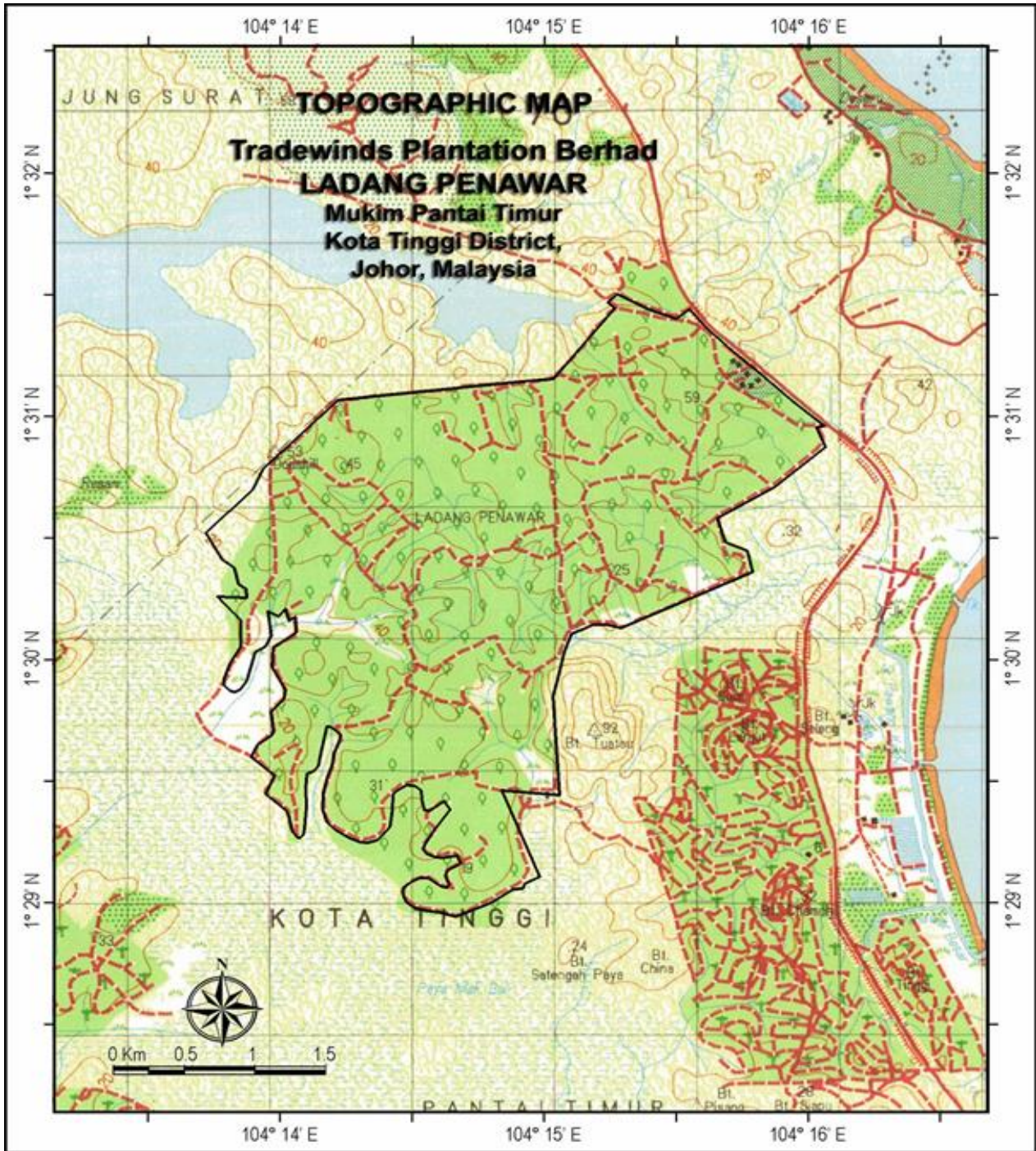
The coordinates of the mill and the 7 estates are shown in **Table 1**.

Table 1: Mill and Supply Base GPS Location

No	Mill/Supply Base	Location	Coordinate	Ha
Mill	Sg Kachur Palm Oil Mill	P.O Box 48, Km 22, Jalan Kota Tinggi-Kluang, 81907 Kota Tinggi, Johor	1°46'54.34"N 103°45'49.05"E	40 mt/hr
1	Pertanian Johor Tenggara Sdn Bhd	Ladang Sisek, P.O.Box 16, 81907 Kota Tinggi, Johor	1°45'28.01"N 103°47'55.11"E	2,711.00
2	Ladang Petri Tenggara Sdn Bhd	Ladang Sungai Kachur, Bandar Petri Jaya, 81907 Kota Tinggi, Johor	1°47'08.51"N 103°46'41.53"E	1,143.14
3	Ladang Petri Tenggara Sdn Bhd	Ladang Sungai Lebak, Bandar Petri Jaya, 81907 Kota Tinggi, Johor	1°48'29.02"N 103°45'52.73"E	2,352.16
4	Semai Segar Sdn Bhd	Ladang Semai Segar, 81907 Kota Tinggi, Johor	1°52'11.07"N 103°44'34.27"E	309.89
5	Ladang Petri Tenggara Sdn Bhd	Ladang Jaya Peti Surat 22, Bandar Sri Perani, 91900, Kota Tinggi, Johor	1°47'03.46"N 104°00'59.02"E	1189.12
6	Ladang Petri Tenggara Sdn Bhd	Ladang Ulu Papan Peti Surat 66, 81907 Kota Tinggi, Johor	1°36'09.93"N 104°15'41.33"E	2617.07
7	Ladang Petri Tenggara Sdn Bhd	Ladang Penawar P.O. Box 10, 81930 Bandar Penawar Kota Tinggi, Johor	1°31'11.96"N 104°08'23.41"E	995.63

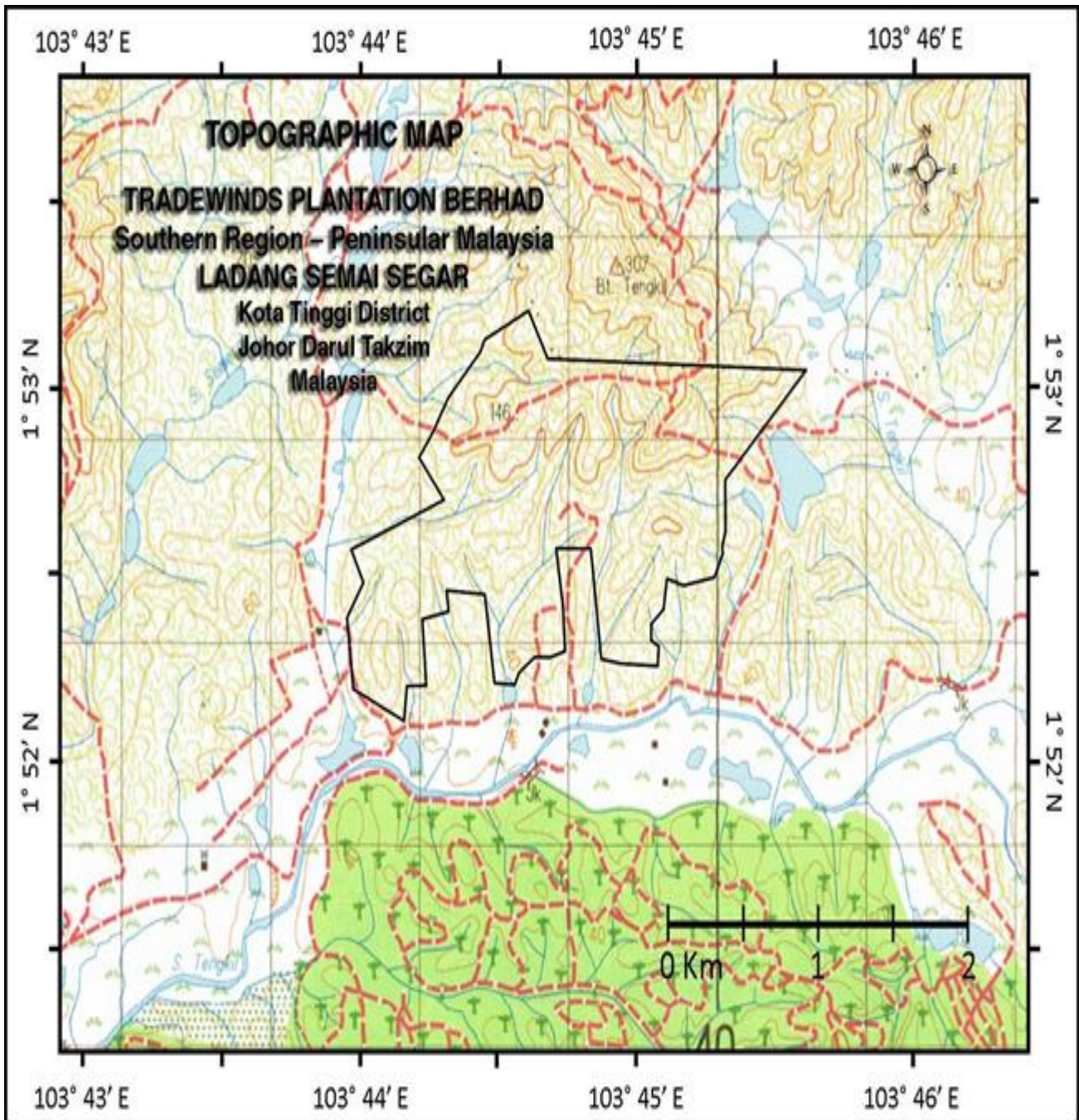
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Ladang Penawar



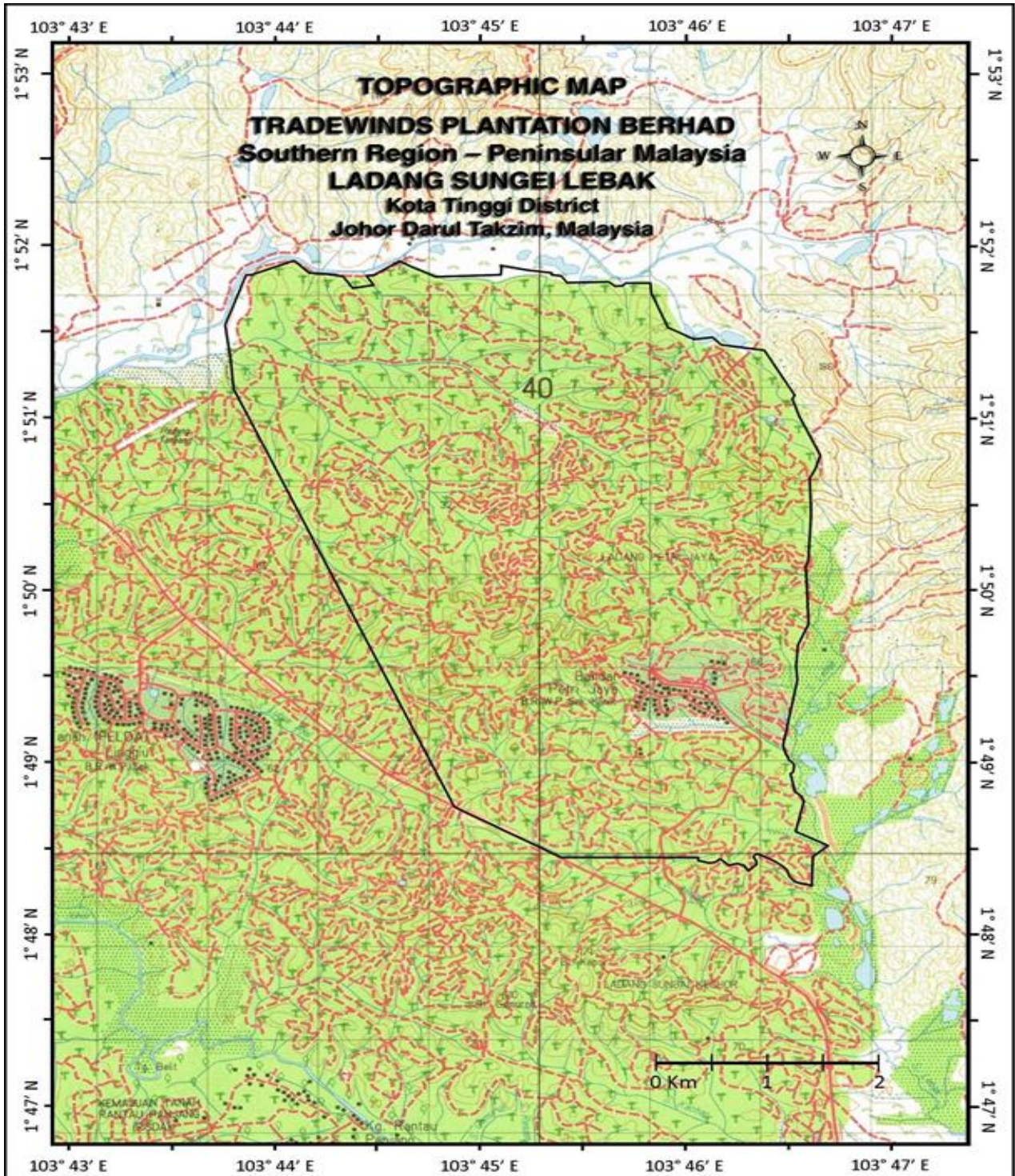
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Ladang Semai Segar



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Ladang Sungai Sebak



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Description of Supply Base and Mill Processing Capacity

The FFB are sourced from their supply base estates which are directly managed by **Tradewinds Plantations Berhad** as well as from their surrounding external sources. The actual crop yield from each estate is listed in Table 2 below.

Table 2: FFB Production

Estate	FFB Production (MT)	
	Jan2017-Dec2017(Actual)	Jan2018--Dec2018 (Projection)
Ladang Sisek	45,665.83	48,610.51
Ladang Sungai Kachur	20810.23	19635.73
Ladang Sungai Lebak	41,547.03	38,000
Ladang Semai Segar	4603.12	4,500
Ladang Jaya	24143.07	23,000
Ladang Ulu Papan	59501.38	64676.95
Ladang Penawar	22969.20	26609.51
TOTAL	219,239.86	226,041.70

Table 3: Actual and Projected Mill Processing Data

Sg Kachur Palm Oil Mill	Actual FY (2017)		Projected (FY 2018)	
	CPO (mt)	PK (mt)	CPO (mt)	PK (mt)
Own source	40,529.25	10,047.39	45,006.54	9563.89
	OER: 18.49%	KER: 4.58%	OER : 20.00%	KER: 4.25%

* Source data from Sungai Kachur Palm Oil Mill

Area of Estate

The areas of supplying estates for this operating unit are listed in Table 4. Details of production area (mature/immature) are also listed.

Table 4: Area Statement of the Supplying Estates

Name of estate	Title area (ha)	Plantation area				
		Immature (ha)	Production (ha)	Conservation (ha)	HCV (ha)	*Others
Ladang Sungai Lebak	2445.00	330.37	2021.79	28.00	0	64.84
Ladang Semai Segar	309.90	0	280.68	0	0	29.22
Ladang Jaya	1189.12	0	1137.42	0	0	51.70
Ladang Ulu Papan	2617.07	71.40	2468.95	-	-	76.72
Ladang Penawar	995.63	0	949.51	0	0	46.12
Ladang Sisek	3,041.00	279.00	2,432.00	0.00	0.00	330.00
Ladang Sungai Kachur	1221.00	0	1143.14	4.00	0	73.86

*Others : Transmission tower, Quarry, Roads, line site, rives, water catchment area, office building ,etc

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/08bc0b5ae9824a408d2c6b7b86d8b079.ashx>

Stakeholder consultation took place in the form of meetings and interviews. Due to this main assessment, meetings with workers were held in their respective premises within and near the estates and Sg Kachur Palm Oil Mill.

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Comment on MS2530-3 Compliance Status:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u> Tradewind Plantation Berhad has established a policy on sustainable palm oil production. The statement is evident in section “Our Business Pillars Towards Sustainability”.</p> <p>The policy has been signed by Dato’ Dr Thomas Ong, CEO of Tradewind Plantations Berhad on 13 April 2017</p> <p><u>Internal Audit –</u> Tradewind Plantation internal audit cover the MSPO requirements. The audit will be conducted by the Sustainability Team.</p> <p>Competency Internal Audit (Internal) Dr Shaikah Sabri : MSPO auditor training by SGS (M) Mr Frankie Patrick : MSPO Auditor training by SGS (M) Mr Andrew Anyi : MSPO Awareness by Sirim</p> <p>Latest Internal Audit done: September 2017 Internal Audit follow Up : 12-16 March 2018</p> <p>Based on records, the audit team notes that the company has established proper internal audit plan that is found to be covering all operations within the estates. Based on the internal audit records, the audit team observed that several NCs has been identified – from the record, 11 NCs has been raised. The root cause of the NCs has been addressed by the company within the Internal Audit Report that is dated 5th October 2017.</p> <p>From record 11 NCs raised, 6 NCR managed to be closed until March 2018 and 1 NCs changed into Observation. The follow up on balance 4NCs will be done at the end of April 2018 (internal audit plan is twice a year for each estate).</p> <p><u>Ladang Lebak dan Semai Segar</u> Latest audit : 9-10 October 2017 Latest follow up : 16th March 2018</p> <p>The estate has provided a summary of internal audit done. From the audit report, 10 NC was issue in October 2017 and 5 findings was closed up until March 2018 with 1 NC changed status to OFI. The follow up for the balance 4 NCs will be done in the month of April 2018.</p> <p>Within the internal audit, several issues such as scheduled waste management, workers housing condition and training has to be further improve in the future.</p> <p>Based on records, the audit team noted that the company has established proper internal audit plan that is found to be covering all operations within the estates.</p>
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	<p><u>Management Review –</u> Internal Audit has been reviewed during Management Review Meeting on 9th November 2017 and has been attended by the top management of the estate. Among issues discussed is internal audit report following the audit conducted on September 2017 pertaining to issues such as scheduled waste management plan, Internal audit, continuous suitability and action plan towards changes, improvement and modification from issues raised.</p> <p><u>Continual Improvement -</u> The estate has established action plan for continual improvement on social, safety and health and environmental impact of the company. Action plan evidence during the audit is as below:</p> <ul style="list-style-type: none"> a. Social Impact Assessment (SIA) <ul style="list-style-type: none"> - Declaration of commitment - Introduction - Site Location and Size - Land Use - Human Environment - List of Stakeholders Nearby the Site - Survey Methodology - Identify Direct and Indirect Potential Impacts from operation - Mitigation Plan - Monitoring and Review b. HIRARC <ul style="list-style-type: none"> -Introduction <ul style="list-style-type: none"> - Risk assessment - Control Measures b. Environmental Management Plan <ul style="list-style-type: none"> - Types of pollutants - Continuous improvement on pollution prevention - Continuous improvement on environment plan - Scheduled waste management - Domestic waste management
<p>Comment on Principle 2</p>	<p><u>Transparency of documents relevant to MSPO requirements –</u> The estate management will communicate all information requested by relevant stakeholders through the estate. This will be based on types of inquiry. All information relating to external stakeholder will be responded by HQ top management.</p> <p>From the estate procedure “Standard of Procedure Communication and Consultation” Dated 8 September 2015 Ref No: PNWR /MSPO/p2/C2/IN1, the management will communicate with interested stakeholders on the information requested and reply accordingly.</p> <p><u>Transparent method of communication and consultation –</u></p>

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	<p>The company has established a procedure for consultation and communication with the relevant stakeholders “Standard of Procedure Communication and Consultation” Dated 8 September 2015 Ref No: PNWR /MSPO/p2/C2/IN1.</p> <p>The document includes a flow chart of ‘Request Info from Stakeholders and responses”</p> <p><u>Traceability</u> – The estate will deliver the FFB to Kachur Palm Oil Mill. The traceability will be conducted at the mill.</p> <p>Delivery of FFB from estate will be accompanied with FFB Delivery Chit which includes information of:</p> <ol style="list-style-type: none"> a. Field No. b. Total Bunches Quantity c. Drivers Name d. Field block e. Transportation No f. Total Weight (mt) g. Average Bunch weight h. Date i. Time <p>Visual inspection for FFB quality will be conducted by FFB checkers in the field.</p> <p><u>Minor 1 (Part 3)</u> <u>Indicator 4.2.2.3</u> Stakeholders lists were not updated. List of stakeholders is available in the Social impact Assessment Report which includes surrounding villages, oil palm operators but it was identified that individual or group of people who owned nearby / neighboring boundary was not within the stakeholders list.</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements</u> – The estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>Penawar estate</p> <ol style="list-style-type: none"> a. Land Title <ul style="list-style-type: none"> - HSD 1998 PTD 371 : 793.2907 Ha - HSD 1999 PTD 372 : 202.343 Ha b. Permit Barang Kawalan Berjadual (Diesel, Petrol) <ul style="list-style-type: none"> - J 033014 (Valid until 27 Feb 2019) c. MPOB Licenses: <ul style="list-style-type: none"> - Menjual dan Mengalih : 504240502000 (Valid until 31/08/2018)

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	<p>. Lebak Estate</p> <p>d. Land Title</p> <ul style="list-style-type: none"> - HSD 2852 PTD 973 : 19.0202 Ha - HSD 33831 PTD 3502 : 2425.5722 Ha <p>e. Permit Barang Kawalan Berjadual (Diesel, Petrol)</p> <ul style="list-style-type: none"> - J 026589 (Valid until 28 Mac 2018) <p>f. MPOB Licenses:</p> <ul style="list-style-type: none"> - Menjual dan Mengalih : 501622602000 (Valid until 30/11/2018) - Kebenaran Pembelian Racun Perosak (Paraquat Dicholoride) NO : JHR/2017/PARA/313(GL) (Surat Kebenaran : 13/04/2017-03/05/2017) Pembelian: 19/04/2017: 2000 liter <p>Semai Segar estate :</p> <p>g. Land Title</p> <ul style="list-style-type: none"> - HSD 15040 PTD 4685: 309.898 Ha <p><u>Legal land use rights –</u> The estate has been established since 2000-2002. There is no evidence of the oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>Penawar Estate The estate is operating on a valid land title with the total title area of 995.63 Ha</p> <p>Lebak Estate : 2444.5924 ha Semai Segar : 309.898 ha</p> <p><u>Customary rights –</u> There is no issues or encumbered by customary rights in the estates.</p> <p>The estate will respond according to the Complaints/Grievance Mechanism should any cases arise in the future.</p> <p>Sustainability Team (based in HQ) will be referred to regarding any issues of customary rights.</p>
<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment –</u> <u>Ladang Penawar</u> Social Impact Assessment (SIA) report is available and contains the followings SIA/SOUTHEAST/001 dated 15 Jan 2018, assessment from July to Dec 2017.</p> <ul style="list-style-type: none"> - Introduction - Objectives

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	<ul style="list-style-type: none"> - Methodology - Organization Chart - Demographics - Compliance to law - General work/labour conditions - Stakeholders request procedure - Grievance procedure - Sexual harassment - Facilities - Customs & cultures - Stakeholder consultation (11 Oct 2017) - Conclusion - Reference - Appendices <p>The report showed that the social impact assessment has been conducted internally. In addition, the audit team notes that the assessment has been conducted with consultation with local communities.</p> <p><u>Ladang Sg Lebak</u></p> <p>Social Impact Assessment (SIA) report is available and contains the followings SIA/SOUTHEAST/001 dated 15 Jan 2018, assessment from July to Dec 2017.</p> <p><u>Ladang Semai Segar</u></p> <p>Social Impact Assessment (SIA) report is available and contains the followings SIA/SOUTHEAST/001 dated 15 Jan 2018, assessment from July to Dec 2017.</p> <p>After conducting interview with Mr Faruk/Mandour & En Muhamit, it was found that wild elephants were wandering inside the estate. In the Stakeholder List (MSPO/P2/C2/IN3) Jabatan Perhilitan Daerah Bandar Penawar is listed. However in the External Stakeholder List no representative were found from Jabatan Perhilitan Daerah Bandar Penawar attended. Found invitation letter dated 3 Oct 2017 sending to Jabatan Perhilitan by Mr Maznan Chemeng (Asst. Manager).</p> <p><u>Complaints and grievances –</u></p> <p><u>Ladang Penawar</u></p> <p>Grievance Procedure is available in the Complaint and Grievances (Ref No.: PNWR/MSPO/P2/C1/IN1). In addition, the procedure on work flow detailing the Grievance Procedure Mechanism is available in the document.</p> <p>Details of complaints/grievances, date and details of action taken has been recorded in the “Complaint Record ”</p>
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Ladang Sg Lebak

Grievance Procedure is available in the Complaint and Grievances (Ref No.: PNWR/MSPO/P2/C1/IN1). In addition, the procedure on work flow detailing the Grievance Procedure Mechanism is available in the document.

Details of complaints/grievances, date and details of action taken has been recorded in the “Complaint Record ”

Ladang Semai Segar

Grievance Procedure is available in the Complaint and Grievances (Ref No.: PNWR/MSPO/P2/C1/IN1). In addition, the procedure on work flow detailing the Grievance Procedure Mechanism is available in the document.

Details of complaints/grievances, date and details of action taken has been recorded in the “Complaint Record ”

Commitment to contribute to local sustainable developments –

Ladang Penawar

The audit team notes that the assessment has been conducted with consultation with the local communities i.e. Evidence of consultation in the form of Q & A Form is made available within the Social Impact Assessment document. Observed that the consultation has been conducted in a way to inform them on identification of local development needs.

Ladang Sg Lebak

The audit team notes that the assessment has been conducted with consultation with local communities i.e. Evidence of consultation in the form of Q & A Form is made available within the Social Impact Assessment document. Observed that the consultation has been conducted in a way to inform them on identification of local development needs.

Ladang Semai Segar

The audit team notes that the assessment has been conducted with consultation with local communities i.e. Evidence of consultation in the form of Q & A Form is made available within the Social Impact Assessment document. Observed that the consultation has been conducted in a way to inform them on identification of local development needs.

Employees health and safety –

Ladang Penawar

Penawar Estate has established a **Policy Statement on Occupational Health & Safety**. The policy has been signed by **Dr Thomas Ong (CEO)** on **10th Feb 2017**

The policy is displayed in the Estate Office. The policy has been communicated to all workers through briefing session (muster ground). Interviewed **Mr Wan Mohd Habib** (Safety Executive) and found that he understood the policy.

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	<p><u>Ladang Sg Lebak</u></p> <p>Policy Statement on Occupational Health & Safety. The policy has been signed by Dr Thomas Ong (CEO) on 10th Feb 2017</p> <p>The policy is displayed in the Estate Office. The policy has been communicated to all workers through briefing session (muster ground). Interviewed Mr Amran (Assistant Manager) and found that he understood the policy.</p> <p><u>Ladang Semai Segar</u></p> <p>Policy Statement on Occupational Health & Safety. The policy has been signed by Dr Thomas Ong (CEO) on 10th Feb 2017</p> <p>The policy is displayed in the Estate Office. The policy has been communicated to all workers through briefing session (muster ground). Interviewed Mr Aiman (Asst Manager) and found that he understood the policy.</p> <p>All the above training has been conducted training by the MSPO Estate Coordinator.</p> <p><u>Employment conditions –</u></p> <p><u>Ladang Penawar</u></p> <p>The policy on good social practices (Employment Policy) has been indicated in the “Good Social Practices Policy” established by the management of Penawar Estate.</p> <p>Observed that the Policy has been signed by the Chief Executive Officer dated 13 Apr 2017.</p> <p><u>Ladang Sg Lebak</u></p> <p>The policy on good social practices (Employment Policy) has been indicated in the “Good Social Practices Policy” established by the management of Sg Lebak Estate.</p> <p>Observed that the Policy has been signed by the Chief Executive Officer dated 13 Apr 2017.</p> <p><u>Ladang Semai Segar</u></p> <p>The policy on good social practices (Employment Policy) has been indicated in the “Good Social Practices Policy” established by the management of Semai Segar Estate.</p> <p>Observed that the Policy has been signed by the Chief Executive Officer dated 13 Apr 2017.</p> <p><u>Training and competency –</u></p>
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Ladang Penawar

Observed that all employees are appropriately trained. Summary records of training provided are made available in the following documents:

- 1) *Occupational Safety & Health (OSH) Training Programme and Planned Activities for Year 2018* – recorded all planned related to safety & health
- 2) *Estate Training Been Done FY2017/2018* – recorded all training conducted for all estate activities.

Details of training conducted for each activity has been recorded in the “Training Report”. The report contains information that includes topic covered, the trainer, date and attendees.

For year 2018, refer above.

All of the above training has been conducted by the MSPO Estate Coordinator.

Ladang Sg Lebak

Observed that all employees are appropriately trained. Summary records of training provided are available in the following documents:

- 1) *Occupational Safety & Health (OSH) Training Programme and Planned Activities for Year 2018* – recorded all planned related to safety & health
- 2) *Estate Training Been Done FY2017/2018* – recorded all training conducted for all estate activities.

Details of training conducted for each activity has been recorded in the “Training Report”. The report contains information that includes topic covered, the trainer, date and attendees.

For year 2018, refer above.

All the above training has been conducted by the MSPO Estate Coordinator.

Ladang Semai Segar

Observed that all employees are appropriately trained. Summary records of training provided are available in the following documents:

- 1) *Occupational Safety & Health (OSH) Training Programme and Planned Activities for Year 2018* – recorded all planned related to safety & health
- 2) *Estate Training Been Done FY2017/2018* – recorded all training conducted for all estate activities.

Details of training conducted for each activity has been recorded in the “Training Report”. The report contains information that includes topic covered, the trainer, date and attendees.

For year 2018 refer above.

Major 2 (Part 3)
Indicator 4.4.4.2

Safety and Health Practices is not implemented accordingly.

- a. There are evidence of cigarette butts near the diesel tank and surrounding areas.
- b. Schedule waste container are found inside the dumping area.
- c. The MSDS for Triclo indicate the requirement to have a CO2 fire

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	<p>extinguisher at the suitable area near the listed chemical item. However it was found that the CO2 fire extinguisher was not available at the chemical store.</p> <p>d. HIRARC Workshop dated 9 Sept 2017 stated that High Risk work with rating 15 under Welding Activity, shall include training on PPE usage, welding shield, machine operating, mask & apron. However, there is no evidence that shows that the training has been conducted.</p> <p>e. It was found that the schedule waste store at Sg Lebak is mixed with other items which is against the EQ (Scheduled Waste) Reg. 2005 – Storage of Schedules Waste.</p> <p>f. Site inspection evidence sign of potential environmental/safety risk at Generator Room</p> <ul style="list-style-type: none"> -No bund inside the generator room to prevent potential spillage. -A pipe from generator was placed to outside room with evidence of soil contamination -A cloth hanging at the signage with evidence of soil contamination -There is no spill kit area prepared at the Generator room for emergency response <p>Based on EQA1974 Sec 24.</p> <p>g. PPE (safety vest, goggle) is found not being adequately practiced by the harvester in Semai Segar (2 harvester).</p>
<p>Comment on Principle 5</p>	<p><u>Environmental management programme – Penawar Estate, Sg Lebak and Semai Segar Estate</u></p> <p>It was observed that the environmental and biodiversity policy was incorporated in one policy, which is covered to achieve the goals through</p> <ul style="list-style-type: none"> a) Compliance with all relevant statutory and regulatory requirements b) Continuously addressing environmental and biodiversity issues through implementation of beneficial biodiversity conservation programs c) Continuous training and information updates relating to environmental and biodiversity awareness for all stakeholders d) Incorporate environmental factors into business decisions. <p>The policy was signed by Dr. Thomas Ong (Chief Executive Officer) Dated 10th February 2017</p> <p>The Environmental management plan was developed from results of aspect and impact analysis, mitigation and monitoring plans and records of implementation and timelines. It can be obtain from aspect and impact study on waste management, aspect and impact on operational work in the estate.</p>

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Continuous improvement programmed was covered “*Pencemaran udara, bunyi, air dan bau*”.

It was observed that several training programmed was conducted and is listed below:

Penawar Estate

Training	No. of Participant	Dated
a. Driver and workshop training	11	24/03/2018 7 – 8 am
b. Environment – Zero burning	78	21/03/2018 7 – 8 am

After the training section on environmental issue, it was observed that the questionnaire regarding the environmental issue was conducted to understand the issue. The focus of group of this training was “*kakitangan teknikal, pengkeranian and kontraktor*”.

Sg Lebak and Semai Segar Estate

Training	No. of Participant	Dated
c. Keselamatan semasa kendalikan pam racun dan chemical racun	17	19/09/2017 10.00 am
d. Training OSH – Manuring Gang	11	6/06/2017 7.30 am

Efficiency of energy use and use of renewal energy –

Sg Lebak Estate

Record and usage of Non-renewable Energy (Diesel Consumption). As we can see in the table below, the consumption of diesel has rapidly increased from 2015 to 2016 due to replanting activity at Block 2016 a,b,c and d with size of 330 ha.

	2015	2016	2017	2018
	RM			
Actual usage	81,691	144,612	70,753	7,834
Estimated Budget	26,570	37,265	104,550	51,720

Consumption of electricity

	2015	2016	2017	2018
	Usage (RM/kWh)			
Actual usage	19,964.98	29,441.90	31,004.50	4620.62
Estimated Budget	45,570.00	40,966.84	49,358.00	45,998.00

Semai Segar Estate
Record and usage of Non-renewable Energy (Diesel Consumption). As seen in the table below.

	2015	2016	2017	2018
	RM			
Actual usage	4,905.52	7,119.44	4,503.65	1,734.27
Estimated Budget	5,182.14	4,670.54	3,554.67	985.11

Waste management and disposal –

Penawar Estate, Sg Lebak Estate and Semai Segar Estate

All waste products and sources of pollution were identified and documented and available in the Waste Management Action Plan 2014. Identification of waste products is listed as below:

- a) Scheduled waste
- b) Domestic waste
- c) Industrial waste

Reduction of pollution and emission –

Penawar Estate

It was observed that the domestic waste at the site office, workers camp and plantation area was free from debris.

Sg Lebak and Semai Segar Estate

It was observed that the assessment of all polluting activities was available in continuous improvement on pollution prevention and environment plan with ref.no: MSPO/P5/C1/IN3 dated 22nd May 2017. The types of pollution had been highlighted as below:

- a) Air Pollution
- b) Noise Pollution
- c) Water Pollution
- d) Odor Pollution

Natural water resources –

Penawar Estate

The water source for Penawar Estate comes from Syarikat Air Johor (SAJ). The water quality was monitored by Syarikat Air Johor (SAJ).

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Sg Lebak Estate

The water source for Sg Lebak Estate comes from Syarikat Air Johor (SAJ). The water quality was monitored by Syarikat Air Johor (SAJ).

Water consumption at Sg Lebak Estate

Year	2015	2016	2017	2018
Actual	64,959 .85	56,652 .87	59,755 .50	10,645 .76
Budget	45,600 .00	30,600 .00	87,600 .00	52,400 .00

Semai Segar Estate

The water source for Semai Segar Estate comes from Tube well and the water sample had been collected and tested. The water quality is sent to accredited lab (UTCL LABORATORY).

Water consumption from Tube well at Semai Segar Estate

Year	2015	2016	2017	2018
Actual	5475	5490	5460	885
Budget	5475	5490	5460	885

Status of rare, threatened or endangered species and high biodiversity value area –

Penawar Estate, Sg Lebak Estate

It was observed that the conservation area was located next to Block 2016 C with a size approximately 28 ha. This area not planted is due to fall under category steep area >25°.

Zero burning practices -

It was observed that the estate practiced zero burning policy. The SOP for planting and replanting was available and practice on site.

Comment on Principle 6

Site management –

Standard Operating Procedures (SOP) or Good Agricultural Practices which outline the best management practices are stated in the Basic Policy Guidelines manual (BPG) - Revision No. 6 dated 5 July,2010. An example is on harvesting Ref. No. OP 10.0 which was prepared in February 2008 and Manuring Ref. No. OP 8.0 on EFB application dated 1st June 2017.

All employees are well trained. All training program is summarized in the **Annual Workers Training Program**. Example of training conducted are as below:

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	<p>a. Taklimat berkenaan penggunaan PPE dan cara penggunaan mesin cantas – 21st Nov 2017 b. Taklimat penggunaan Warfarine – 20th Dec 2017 c. Taklimat berkenaan pemakaian PPE meracun – 17th Mar 2018 d. Taklimat penggunaan First Aid – 27th Mar 2018</p> <p>Details of training conducted for each activity has been recorded in the Training Report. The report contains information that includes topic covered, the trainer, date, attendees and pictures of the activity.</p> <p><u>Economic and financial viability plan –</u> At the estate level, Budget 2018 (Signed by General Manager & Estate manager) is available which includes the projection of upkeep activities and FFB production trend. A comparison of RM/Ha and RM/Mt between Est –Act 2017 and Bud 2018 as follows: <u>Sungai Lebak Estate:</u> 4,383.18 and 203.90 vs 3,866.31 and 205.71 <u>Semai Segar Estate</u> 4,221.36 and 197.47 vs 3,374.66 and 210.49</p> <p>5 years of Forecast Crop Yearly Distribution from 2018 till 2023 is available.</p> <p><u>Transparent and fair pricing dealing –</u> Not applicable. The pricing mechanism is set by the Marketing Department.</p> <p><u>Contractor –</u> There is a contract agreement with contractors which includes the special clause on MSPO which reads: “(a) Kontraktor mesti mematuhi semua undang-undang serta peraturan dan memenuhi kriteria berkaitan kemampanan (sustainability)” The list of contractor: 1) Perniagaan Sri Mahtai for transporting of Fresh Fruit Bunch (FFB) dated 20th November 2017. 2) Affendy Bin Md. Salleh for external transport of FFB/EFB, mesin rumput dated 17th November 2017. 3) Tan Liew Cheng for harvesting dated 15th November 2017.</p>
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Comment on MS2530-4 Compliance Status:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u> Tradewind Plantation Berhad has established a policy on sustainable palm oil production. The statement is evident in section “Our Business Pillars Towards Sustainability”.</p>
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	<p>The policy has been signed by Dato' Dr Thomas Ong, CEO of Tradewind Plantations Berhad on 13 April 2017.</p> <p><u>Internal Audit –</u> Latest Internal Audit conducted : 27th-28th July 2018</p> <p>Internal audit review: 25th-26th September 2017</p> <p>From mill internal audit, 17 NC was raised on 27th July and during the review it was reported that 12 NC were already closed.</p> <p>Among issues raised in the internal audit:</p> <ol style="list-style-type: none"> 1. Domestic waste management 2. Scheduled waste management 3. Environment compliances (DOE) 4. Information on Employment contract changes (Amendment) and briefing of the changes <p><u>Management Review –</u> The management review conducted on 9 November 2017 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) MSPO Stage 1 Audit report findings 2) Scheduled waste management plan 3) Other issues 4) Conclusion <p><u>Continual Improvement -</u> It includes:</p> <ol style="list-style-type: none"> 1) Dewatering & Desludging - done 2) Biogas Project - Pending 3) Firefighting System - done 4) Add 2nd Set Vacuum dryer at Oil room- Pending 5) Add 2nd turbine at engine Room- Done 6) Add wet scrubber at Boiler - Pending
<p>Comment on Principle 2</p>	<p><u>Transparency of documents relevant to MSPO requirements –</u> The estate management will communicate all information requested by relevant stakeholders through estate. This will be based on types of inquiry. All information relating to external stakeholder will be responded by HQ top management.</p> <p>From the estate procedure “Standard of Procedure Communication and Consultation” Dated 8 September 2015 Ref No: PNWR /MSPO/p2/C2/IN1, the management will communicate with interested stakeholders regarding information requested and reply accordingly.</p> <p><u>Transparent method of communication and consultation –</u> The company has established a procedure for consultation and communication with the relevant stakeholders “Standard of Procedure</p>

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	<p>Communication and Consultation” Dated 8 September 2015 Ref No: PNWR /MSPO/p2/C2/IN1.</p> <p>The document includes a flow chart of ‘Request Info from Stakeholders and Responses.’</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 includes 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 from the FFB source.</p> <p><u>Minor 3 (Part 4)</u> <u>Indicator 4.2.2.3</u> Stakeholders list for Sg Kachur Palm Oil Mill were not updated. List of FFB suppliers (external) was not included in the stakeholders list.</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements</u> – Compliance to Applicable local state and national law</p> <p>Factories and Machineries Act Perakuan Kelayakan Dandang : FMA 1967 PMD-JH/17 05325</p> <p>Pengandung Tekanan Tak Berapi PMT-JH/17 15217</p> <p>MPOB License : No: 508117604000 Expiry date: 31/08/2018</p> <p>DOE License: No 002149 DOE Jadual Pematuhan : 002149 Expiry 30 Jun 2018</p> <p>Permit barangan berjadual : J020650 Expiry : 9 April 2019</p> <p>JTK permit Pendahuluan Gaji</p> <p>JTK Permit Kerja Lebih Masa</p> <p>Permit to Purchase : Sodium Hydroxide Expiry : 31st December 2018</p>

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	<p>The license and permit are available and display at the mill office</p> <p><u>Legal land use rights –</u> The mill is located within Provisional lease of state land according to land title No : HSD 2265 PTD 1113</p> <p>The mill sharing land title with Sg Kachur Estate (Tradewind estate)</p> <p>The legal acquisition was proven via availability of land title from the State of Johor.</p> <p>Title land : HS (D) 2265 PTD 1113</p> <p>Letter of application of mill establishment by Johore Tenggara Oil Palm Berhad (JTOP) was shown during the audit. Document is dated 23 November, 2000.</p> <p><u>Customary rights –</u> The legal acquisition was proven via availability of land title from the State of Johor.</p> <p>Title land : HS (D) 2265 PTD 1113</p> <p>Letter of application of mill establishment by Johore Tenggara Oil Palm Berhad (JTOP) was shown during audit. Document dated 23 November 2000.</p>
<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment –</u> SKPOM presented the Social Impact Assessment dated 15 January 2018 which is similar to Penawar, Sg Lebak, Semai Segar & Sg Kachur.</p> <p>It includes the following :</p> <ol style="list-style-type: none"> 1) Activity / Process 2) Social Aspect 3) Positive Impact 4) Promoting Measures 5) Negative Impact 6) Control Measures 7) Remarks <p>Annually SKPOM will conduct Stakeholder Meeting to address the issues on 11 October 2017.</p> <p><u>Complaints and grievances –</u> Grievance Procedure is available in the Complaint and Grievances form. In addition, the procedure on work flow detailing the Grievance Procedure Mechanism is available in the document.</p>

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	<p>Details of complaints/grievances, date and details of action taken has been recorded in the “Complaint Record ”</p> <p><u>Commitment to contribute to local sustainable developments</u> – Annually SKPOM will conduct Stakeholder Meeting to address the issues.</p> <p>SKPOM will have a separate stakeholder meeting with the separate category of workers.</p> <p>The latest Internal stakeholder meeting with SKPOM supply base was conducted on 11 October 2017.</p> <p><u>Employees health and safety</u> – Policy Statement on Occupational Health & Safety. The policy has been signed by Dr Thomas Ong (CEO) on 10th Feb 2017</p> <p>The policy is displayed in the Estate Office. The policy has been communicated to all workers through a briefing session (muster ground)</p> <p><u>Employment conditions</u> – The policy on good social practices (Employment Policy) has been indicated in the “Good Social Practices Policy” which is established by the management.</p> <p>Observed that the Policy has been signed by the Chief Executive Officer dated 13 Apr 2017.</p> <p><u>Training and competency</u> – The occupational safety and health plan known as ‘Annual Training Programme January – June 2018 ‘covers the following. Refer above.</p> <p><u>Major 4 (Part 4)</u> <u>Indicator 4.4.4.2</u> Safety and Health Requirement is not adequately implemented.</p> <ul style="list-style-type: none"> -Training on Safety awareness / HIRARC review/ accident case and risk at work place has been conducted, however the training evaluation to ensure effectiveness is not adequately implemented. -HIRARC document was not reviewed after an accident happened on the 5 January 2017 or according to internal SOP, the document must be reviewed every three years or if any accident happened. -Sg Kachur Palm Oil Mill two (2) Grader were found not wearing safety vest during work operation.
<p>Comment on Principle 5</p>	<p><u>Environmental management programme</u> – The management has provided evidence on compliances on existing regulatory requirements.</p>

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Evidence show by the management

1. Fire certificate from BOMBA (serial No 305251) on fire prevention, fire protection and firefighting requirements.

2. Department of Environment approval on desludge effluent pond at SKPM (reference No : 000/062 JLD 6 (10))

Efficiency of energy use and use of renewal energy –

The management has provide an Improvement Plan which included biogas project to capture biogas for power generation and to reduce the release of methane gas into atmosphere (2018 Improvement plan).

On the Energy Optimization Plan, the management has provided the diesel consumption record that shows diesel usage record. The record list is as below:

Usage of Diesel

Year	Actual (litre)	Budget (litre)
2015	64,405	88,400
2016	71,566	93,800
2017	85,843	85,500
2018	Nil	Nil

The usage of diesel is seen as manageable.

Waste management and disposal –

It was observed that the waste products and sources of pollution was identified and documented in the Environmental Management Plan Report with reference no.: EMP/SOUTHEAST/SKPOM/001, date of assessment 28/07/2017. Lis of aspect that had been identified list as below:

- a) Discharged of POME (Water course)
- b) Land Application
- c) Dumping and Heaping
- d) Stripping of Bunches
- e) Domestic Waste
- f) Sewage
- g) Chemical Storage
- h) Sewage
- i) Vehicle maintenance at workshop
- j) Scheduled waste

Monitoring program to monitor the final discharge through Revised Standard Methods (1985) for analysis of Rubber and Palm Oil Mill

Effluents, DOE (3rd Edition) was conducted on 15 June 2017 and two points of samples were collected and sent to Makmal Analisa Pengeli, Kilang Sawit. Water samples analysis on 16 June 2017 with results as below:

Parameter	PA	PB	Standard A*
pH	8.09	8.07	6-9
BOD	9	9	100* 30**
COD	12	12	-
TS	205	209	-
SS	8	104	50
O&G	-	-	1.0
AN	ND (<5)	ND (<5)	10
TN	3	1	-

PA – Point A (Hulu Sungai)

PB – Point B (Hilir Sungai)

*Requirement from Jadual Pematuhan with licence no.:002149

**Environmental Quality (Industrial Effluent), Regulation 2009

*Standard A in National Water Quality Standard (NWQS)

Certificate no analysis: MAP 602/17

It was observed that the environmental and biodiversity policy was incorporated in one policy, which is covered to achieve the goals through

- a) Compliance with all relevant statutory and regulatory requirements,
- b) Continuously addressing environmental and biodiversity issues through implementation of beneficial biodiversity conservation programs,
- c) Continuous training and information updates relating to environmental and biodiversity awareness for all stakeholders,
- d) Incorporate environmental factors into business decisions.

The policy was signed by Dr. Thomas Ong (Chief Executive Officer), dated 10th February 2017

The Environmental Management Plan was developed from results of aspect and impact analysis, mitigation and monitoring plans and records of implementation and timelines. It can be obtained from the Aspect Impact Assessment.

Reduction of pollution and emission –

The management has provided :

Department of Environmental (DoE)

Air Emission Monitoring report (21st February 2018) Boiler 2

Boundary Noise Monitoring Report (22nd February 2018)

Ambient Air Quality Monitoring Report (21st & 22nd Feb 2018)

JKKKP

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	<p>Positive Noise Exposure Monitoring Report (5th Oct 2017) Online environment reporting (latest 1st October - 31st December 2017) Internal document on scheduled waste record Environmental Sustainability Policy mentioned no open burning, minimize pollution and manage disposal of waste (smoke, effluent, scheduled and other solid waste), minimize pollution of the land, air and water pollution.</p> <p><u>Natural water resources –</u> The management has taken necessary actions to ensure natural water resources is not polluted by monitoring the effluent at the final discharge. Results can be refer to in item 4.5.3.1</p>
<p>Comment on Principle 6</p>	<p><u>Mill management –</u> The management has provided SOP on Mill Operation which includes</p> <ol style="list-style-type: none"> 1.FFB Grading (SKPOM/QMS/SOP/PROC-01) 2. Loading Ramp Station 3. Sterilizer Station 4. Tippler Station 5. Press Station 6. Oil Room Station 7. Kernel Plant Station 8. Effluent treatment System (SKPOM/QMS/SOP/LAB-16 signed by QMR dated 31st May 2013) 9. Chemical handling 10. Laboratory 11. Electrical 12. Boiler Station 13. Workshop 14. Security 15. First aid awareness <p>The SOP will be amended by the mill engineers and reviewed by the mill managers.</p> <p><u>Economic and financial viability plan –</u> The management has provided 5 years of production projection for year 2018-2023. The projection of production versus actual production is monitored by Senior Mill Engineer Mr. Muhamad Khairuddin Bin Rosli. (For mill CPO/OER) and each respected estate manager for estate crop projection.</p> <p><u>Transparent and fair pricing dealing –</u> The mill receives FFB from internal estates as well as outsiders.</p>

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	<p>Pricing mechanism based on MPOB pricing for CPO and PK.</p> <p><u>Contractor</u> – The management has provided the list of contractors as below:</p> <ol style="list-style-type: none"> 1. Petronas Dagangan Berhad 2. Syarikat Buana Kita 3. Total Weighing System 4. Spectrum Laboratories (Johore) Sdn. Bhd. 5. Lian Fatt oil palm Resources sdn. Bhd. <p>There is a contract agreement with contractors which include the special clause on MSPO which reads: “(a) Kontraktor mesti mematuhi semua undang-undang serta peraturan dan memenuhi kriteria berkaitan kemampanan (sustainability)” Evidence for Syarikat Buana Kita is dated 20th March 2018.</p> <p>Another evidence is the Stakeholders meeting and briefing on MSPO on 11th October 2017. Ref SIA/Southeast/001 dated 15th January 2018.</p>
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7. Nonconformities

MS2530-3:2013 Part 3

NonConformity	N° 1 of 4				Minor 1	
	Date Recorded>	29/03/2018	Due Date>	29/12/2018	Date Closed>	25/06/2018
Department / Function:	Administrative		Standard Ref.: Indicator		MS2350-Part 3 4.2.2.3	
Document Ref.:	Criterion 2: Stakeholder List		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Stakeholders lists were not updated.					
Objective Evidence:	List of stakeholders is available in the Social impact Assessment Report which includes surrounding villages, oil palm operators but it was identified that individual or group of people who owned nearby / neighboring boundary was not within the stakeholders list.					
Close-out evidence:	<p>Estate management is not aware on the changes of nearby stakeholder even though the issue has been highlighted in MSPO Internal Audit Report (SA/SLBK-SSGR/002; 30th August 2017).</p> <p>The individual/group of people at neighbouring boundary has been identified and</p>					

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	<p>included the stakeholder list. Refer to Attachment 1a (Penawar Estate) and Attachment 1b (Sg Lebak & Semai Segar Estate) for the updated list of stakeholders.</p> <p>Assistant Manager will ensure that the stakeholder list is updated on yearly basis.</p>
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NonConformity	N° 2 of 4	Major 2	
	Date Recorded> 29/03/2018	Due Date> 29/05/2018	Date Closed> 25/05/2018
Department / Function:	Administrative	Standard Ref.: Indicator	MS2350-Part 3 4.4.4.2
Document Ref.:	Criterion 4: Safety and Health	Issue / Rev. Status:	Closed
Details of Nonconformity:	Safety and Health Practices is not implemented accordingly.		
Objective Evidence:	<p>a. There are evidence of cigarette butts near the diesel tank and surrounding areas.</p> <p>b. Schedule waste container are found inside dumping area.</p> <p>c. The MSDS for Triclo indicate the requirement to have a CO2 fire extinguisher at the suitable area near the listed chemical item. However, it was found that the CO2 fire extinguisher was not available at chemical store.</p> <p>d. HIRARC Workshop dated 9 September 2017 stated that High Risk work with rating 15 under Welding Activity, shall include training on PPE usage, welding shield, machine operating, mask & apron. However there is no evidence that shows that training has been conducted.</p> <p>e. It was found that the schedule waste store at Sg Lebak is mixed with other items which is against the EQ (Scheduled Waste) Reg. 2005 – Storage of Schedules Waste.</p> <p>f. Site inspection evidence sign of potential environmental/safety risk at the Generator Room</p> <p>-No bund inside the generator room to prevent potential spillage</p> <p>-A pipe from generator was placed to outside room with evidence of soil contamination</p> <p>-A cloth hanging at the signage wit evidence of soil contamination</p> <p>-There is no spill kit area prepare at Generator room for emergency response</p> <p>Based on EQA1974 Sec 24.</p>		

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	g. PPE (safety vest, goggle) found not being adequately practiced by harvester in Semai Segar (2 harvester).
Close-out evidence:	<p><u>There is evidence of the cigarette butt at near diesel tank and area surroundings</u></p> <p>Workers has no awareness on the safety signage that has been installed even though safety briefing has been conducted during the muster ground.</p> <ul style="list-style-type: none"> a) The area has been cleaned (refer to Attachment 2-photo of the diesel tank and surrounding areas has been cleaned). b) A signboard of “No Smoking” has been installed at the diesel tank area (Refer to Attachment 3 for the photo of the signboard). c) Estate manager has circulated a reminder memo on restriction of smoking at “No Smoking Area” (Refer to Attachment 4 for the reminder to the smoker). d) Safety sign awareness training has been conducted to all estates workers by the estate and Safety & Sustainability Department. (Refer to Attachment 5 for the training/briefing record). <p><u>Schedule waste container are found inside the dumping area.</u></p> <p>Scheduled waste training for worker and storekeeper has yet to be conducted even though the issue has been highlighted in the OCA report (OCA/PNWR/002; 20th July 2017)</p> <ul style="list-style-type: none"> a) Scheduled waste training has been conducted by the person-in charge for the scheduled waste and storekeeper of SBU Southeast on 24th April 2018. Refer to Attachment 7 for the Training Report. b) The scheduled waste container at the dumping area has been collected and kept in a designated container (refer to Attachment 8 for the photo of scheduled waste that has been stored per Environmental Quality (Scheduled Waste) Reg. 2005. c) Estate manager has distributed a reminder memo to all workers to dispose scheduled waste at the designated container (refer to Attachment 9 for the reminder memo). <p>Scheduled waste management training will be conducted on a yearly basis (Refer to Attachment 6a- Training Schedule Penawar Estate).</p> <p><u>The MSDS for Triclo indicate the requirement to have a CO2 fire extinguisher at a suitable area near the listed chemical item. However it was found that the CO2 fire extinguisher was not available at the chemical store.</u></p> <p>The HIRARC prepared by the estate is not well developed thus missed out on the fire extinguisher required for the chemical store.</p> <ul style="list-style-type: none"> a) The CO2 fire extinguisher has been mounted at the chemical store. (Refer to Attachment 10 for the photo). b) Estate management together with Safety & Sustainability Department has review the HIRARC and include a fire extinguisher as part of the Risk Control measures (refer to Attachment 11 for the review on HIRARC for the chemical store). <p>Assistant Manager will monitor and ensure the requirement in the SDS is complied.</p>

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HIRARC Workshop dated 9 September 2017 stated that the High Risk work with rating 15 under Welding Activity, shall include training on PPE usage, welding shield, machine operating, mask & apron. However there is no evidence that shows training has been conducted.

The training was not conducted as per planned by the estate as it was overlooked by the person-in-charge.

- a) HIRARC training for Assistant Manager has been conducted on 9th – 10th April 2018. The HIRARC reviewed will be submitted to Safety & Sustainability Department for finalization (including workshop operation) Refer to **Attachment 12** for the memo and attendance list.
- b) Training for the workshop workers on the PPE usage, welding shield, machine operating, mask & apron will be conducted on 25th April 2018. Refer to **Attachment 13** for the training record.
- c) Estate manager has sent a reminder letter to the person who did not conduct training as per planned. Refer to **Attachment 14** for the reminder letter.

It was Found in the schedule waste store at Sg Lebak mixed with other items which against the EQ (Scheduled Waste) Reg. 2005 – Storage of Schedules Waste.

Other items were kept inside the store by the storekeeper since there is lack of spaces to keep the items inside the general store. Due to security reasons, the items were kept inside the scheduled waste store temporarily without knowing that this is against the EQA Regulations.

- a) Scheduled waste training will be conducted for worker and storekeeper on 24th April 2018. Refer to **Attachment 7** for the Training Report.
- b) The scheduled waste and non-scheduled waste item has been separated. The scheduled waste store only kept the scheduled waste listed per EQ (Scheduled Waste) Reg. 2005 (refer to **Attachment 15** for the photo in the store).

Scheduled waste training will be conducted on a yearly basis (Refer to **Attachment 6b** Training Schedule Sg Lebak & Semai Segar).

Site inspection evidence sign of potential environmental/safety risk at Generator Room

- No bund inside the generator room to prevent potential spillage

- Training on environmental/safety at Generator Room has been conducted on 24th April 2018 to the staff and generator operator. Refer to **Attachment 16** for the training record.
- The training on environmental/safety at Generator Room will be conducted on yearly basis with proper record keeping. (Refer to **Attachment 6b**-Training Schedule Sg Lebak & Semai Segar).
- A bund has been constructed on 25th April 2018 (Refer to **Attachment 17** for the photo).

- A pipe from generator was placed to outside room with evidence of soil contamination

- A collection container has been provided to make easy to remove the accumulated liquid (Refer to **Attachment 17** for the photo).

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	<p>- A cloth hanging at the signage wit evidence of soil contamination</p> <ul style="list-style-type: none"> The cloth and contaminated soil has been cleaned and stored in the Scheduled Waste Store. (Refer to Attachment 17 for the photo) <p>- There is no spill kit area prepare at Generator room for emergency response Based on EQA1974 Sec 24.</p> <ul style="list-style-type: none"> Spill kit and tray have been provided at the Generator Room (Refer to Attachment 17 for the photo). <p><u>PPE (safety vest, goggle) found not being adequately practiced by harvester in Semai Segar (2 harvester).</u></p> <p>Safety vest and goggle is not listed as PPE in SOP. Refer to Attachment 18 for the Occupational Safety and Health Guidelines (OSHG) for Estates (Pictorials); 7.1 Penuaian Alat Perlindungan Diri (PPE).</p> <p>Training on PPE to the harvester has been conducted on 24th April 2018. Refer to Attachment 19 for the training record.</p>
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NonConformity	N° 3 of 4		Minor 3
	Date Recorded>	29/03/2018	Due Date> 29/12/2018
			Date Closed> 25/06/2018
Department / Function:	Administrative	Standard Ref.: Indicator	MS2350-Part 4 4.2.2.3
Document Ref.:	Criterion 2: Stakeholders List	Issue / Rev. Status:	Closed
Details of Nonconformity:	Stakeholders list for Sg Kachur Palm Oil Mill is not updated		
Objective Evidence:	List of FFB suppliers (external) was not included in the stakeholders list.		
Close-out evidence:	<p>Mill Management is not aware that the external FFB supplier was not included in the list even though this issue has been highlighted in MSPO Internal Audit Report (SA/SKPOM/002; 30th August 2017)</p> <p>The list of FFB suppliers has been identified and included the stakeholder list. Refer to Attachment 1c for the mill updated list of stakeholders.</p> <p>TQEM executive will ensure that the stakeholder list is updated in a yearly basis.</p>		

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NonConformity	N° 4 of 4		Major 4			
	Date Recorded>	29/03/2018	Due Date>	29/05/2018	Date Closed>	25/05/2018
Department / Function:	Administrative		Standard Ref.: Indicator		MS2350-Part 4 4.4.4.2	
Document Ref.:	Criterion 4: Safety and Health		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Safety and Health Requirement not adequately implemented					
Objective Evidence:	<p>-Training on Safety awareness / HIRARC review/ accident case and risk at work place has been conducted, however the training evaluation to ensure on effectiveness is not adequately implemented.</p> <p>-HIRARC document was not reviewed after an accident happened dated -5 January 2017 or according to internal SOP, the document must be reviewed every three years or if any accident happened</p> <p>-Sg Kachur Palm Oil Mill two (2) Grader were found not wearing safety vest during work operation</p>					
Close-out evidence:	<p><u>Training on Safety awareness / HIRARC review/ accident case and risk at work place has been conducted, however the training evaluation to ensure on effectiveness not adequately implemented.</u></p> <p>The evaluation of the effectiveness was not done due to no Person-in Charge (PIC) was appointed to conduct the task.</p> <p>a) The PIC to handle the task has been appointed by the mill. Refer to Attachment 20 for the appointment letter.</p> <p>b) The training evaluation has been reviewed on 2nd April 2018. Refer to Attachment 21 for training re-evaluation.</p> <p>The appointed document controller will monitor the record of training evaluation.</p> <p><u>HIRARC document was not reviewed after accident happened dated -5 January 2017 or according to internal SOP, the document must be reviewed every three years or if any accident happened</u></p> <p>The HIRARC document already reviewed on 26th February 2018. Refer to Attachment 22 for the reviewed document. This issue has been highlighted in OCA Report (OCA/SKPOM/003; 26th September 2017)</p> <p>Mill manager has send a reminder letter to the person-in charge to review the HIRARC document. Refer to Attachment 23 for the reminder letter.</p> <p>The HIRARC will be review every three years or if any accident happened by mill management.</p> <p><u>Sg Kachur Palm Oil Mill two (2) Grader were found not wearing safety vest during work operation</u></p>					

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	<p>Safety vest is not listed as PPE in SOP. Refer to Attachment 24 for the <i>Garis Panduan Pekerja Kilang</i>.</p> <p>Training on PPE to the grader has been conducted on 24th April 2018. Refer to Attachment 25 for the training record.</p> <p>Senior Assistant Manager will ensure the practice of complete PPE to grader prior to commencing the work.</p> <p><i>Keselamatan dan Kesihatan Bergambar untuk Kilang Kelapa Sawit; 1.2 Pakaian Keselamatan Wajib Untuk</i></p>
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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 Tradewind Plantations Berhad personnel, especially the ground staff contribute to the smoothness and success 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.

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- Organised documentation & highly commitment towards certification.

Important Observations and Opportunities for Improvements:

- Stakeholder list should be updated accordingly.
- Utilization of warning and hazard signage could be improved.
- Training programme should be implemented as planned.
- Requirement in Safety Data Sheet (SDS) should be monitored and comply.
- Awareness of MSPO implementation among contractors could be improved.
- Safety and Health issues should be incorporated by the workers and contractors.

Appendix 1: Multi –Site Address List



Site name / Address	Audit Dates	Activities at this site
Ladang Sg Kachur	29/03/2018	Normal field operation : Harvesting, Manuring, etc.
Ladang Penawar	27/03/2018	Normal field operation : Harvesting, Manuring, etc.
Ladang Semai Segar	28/03/2018	Normal field operation : Harvesting, Manuring, etc.
Ladang Sg Lebak	28/03/2018	Normal field operation : Harvesting, Manuring, etc.
Ladang Sisek	Nil	Nil
Ladang Jaya	Nil	Nil
Ladang Ulu Papan	Nil	Nil
Sg Kachur Palm Oil Mill	29/03/2018	Normal mill operation

Appendix 2: List of Stakeholders Contacted

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Staff <u>Ladang Penawar</u> Staff Mr Wan Mohd Habib (Safety Executive)	Internal Stakeholders	The stakeholders are generally happy with the company especially on the good decent living condition	The audit team has verified such comments and confirmed that the water supply, electricity and etc are provided by the employer.

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<p>Ladang Semai Segar Staff Mr Amran (Asst Manager)</p> <p>Staff Ladang Sq Sebak Staff Noor Azrizan Bin Mahpop (Administrative)</p> <p>Workers amarol Zaman Bin Gimam</p>			
<p>Perniagaan Sri Mahtai (Transporter) Name: En.Affendy Bin Md. Salleh</p>	<p>External Stakeholders</p>	<p>No issues arise</p>	<p>The stakeholder is generally happy with the company cooperation</p>

Signed on behalf of Tradewinds Plantation Berhad	Signed on behalf of SGS Malaysia Sdn Bhd
	

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