

Magna Mutual Sdn Bhd Audit Summary Report

Organization:	Magna Mutual Sdn Bhd		
Address:	<u>Headquarters Address</u> Survey Lot 1757, Eastwood Valley Industrial Park Phase 3, Jalan Miri By-Pass, 98000 Miri Sarawak.		
	Contact Person : Mr Cheang Chu King (Director) Phone No : 012 503 3613		
	<u>Estate Address</u> Lot 4, Block 30, Puyut Land District, Between Batang Baram & Batang Tinjar, Baram, Sarawak		
Standard(s):	MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders	Accreditation Body(s): DEPARTMENT STANDARDS MALAYSIA (DSM)	
Representative:	Mr Cheang Chu King (Director)		
Site(s) audited:	Miri Timur Plantation	Date(s) of audit(s):	22 nd March 2019
EAC Code:	Nil	NACE Code:	Nil
No. of Employees:	239	No. of Shifts:	Normal 1 shift
Lead auditor:	Abdul Khalik Bin Arbi (AKA)	Additional team member(s):	Jeffrey Denis Ridu (JDR)

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

The audit covered one site performing certification scope:

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

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

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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: 6 Major 0 Minor

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

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

4. Previous Audit Results

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

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

5. Audit Findings

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

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

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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

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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:	Magna Mutual Sdn Bhd		
Address	<u>Headquarters Address</u> Survey Lot 1757, Eastwood Valley Industrial Park Phase 3, Jalan Miri By-Pass, 98000 Miri, Sarawak. Contact Person : Mr Cheang Chu King (Director) Phone No : 012 503 3613 <u>Estate Address</u> Lot 4, Block 30, Puyut Land District, Between Batang Baram & Batang Tinjar, Baram, Sarawak.		
MPOB License No.:	593844002000	Expiry date:	31 st January 2020
Scope of Activity:	Menjual dan Mengalih FFB#	Next Surveillance Audit	22 nd January 2020
Visit Number:	02 (Stage 2)	Actual Visit Date:	22 nd March 2019
Visit Due by Date:	Nil	For auditor information only	
Lead Auditor :	Abdul Khalik Bin Arbi (AKA)		
Audit Member	Jeffrey Denis Ridu (JDR)		
Additional Attendees and Roles	Nil		
Standard(s):	MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders		
Audit Language:	English & Malay		
Audit Scope:	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.		

Audit Plan

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
21 st March 2019	6.50 pm 7.25 pm	AKA, JDR	Depart from Bintulu Airport Arrived at Miri Airport	Estate Personnel
22 nd March 2019	7.00 am	AKA, JDR	Depart to Grand Mutual Sdn Bhd Estate	Estate Personnel

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			Arrive at Estate Opening Meeting Audit Process (Site Visit) • 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	
	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		Preparation for closing	
	5.00pm		Closing Meeting	
	6.00pm		Depart to Miri Airport	

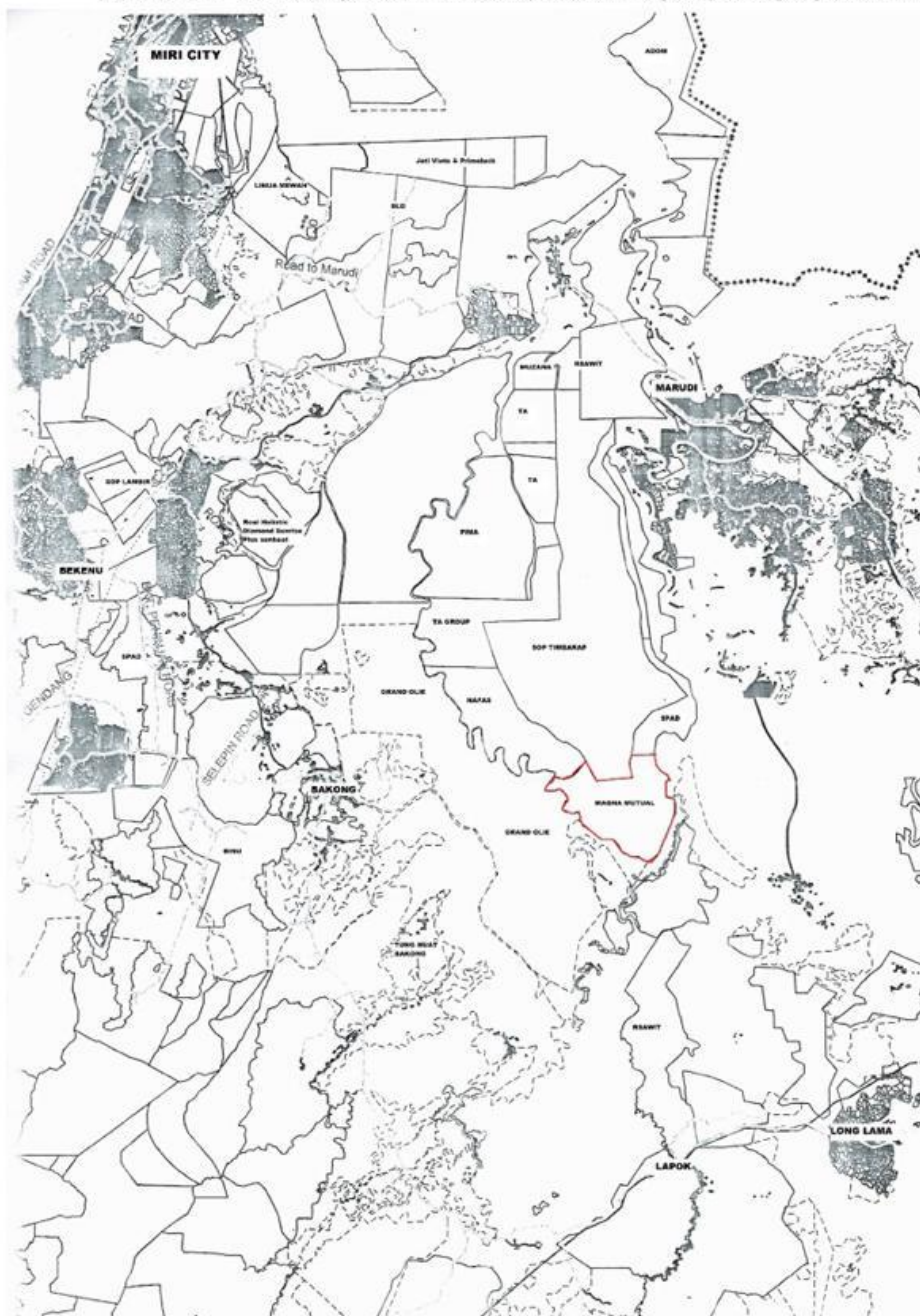
Location and Maps

The project can be accessed from the Miri – Bintulu Road. The GPS locations of the state are shown in Table 1.

Supply Base / Estates:	Location Address:	GPS Coordinate(s):	Area Certified(HA):
Miri Timur Plantation	Lot 4, Block 30, Puyut Land District, Between Batang Baram & Batang Tinjar, Baram, Sarawak	3°58'22" N 114°16'03" E	3,100

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MIRI TIMUR PLANTATION LOCALITY MAP



GPS Coordinates:

3°58'22"N 114°16'03"E

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Description of Estate Production

The FFB are sourced from the estate which are individually managed by Miri Timur Plantation through its parent company Magna Mutual Sdn Bhd. The crop yield from these estate is mention in **Table 2** below.

Table 1: FFB Production

Month	Miri Timur Plantation (Mt)	
	2018 (Actual)	2019 (Projection)
*January	1,511.29	1,982.69
*February	1,293.20	2,091.36
*March	1,614.34	2,217.85
*April	1,814.04	2,308.73
*May	1,845.14	2,868.00
June	1,901.75	3,200.00
July	2,036.91	3,500.00
August	2,081.64	3,600.00
September	2,504.16	4,000.00
October	2,512.30	4,000.00
November	2,404.45	3,700.00
December	2,259.19	3,600.00
Total	23,778.41	37,068.63
<i>*Actual Source from Client</i>		

Area Statement

Name of estate	Title Area (ha)	Plantation area				
		Immature (ha)	Mature/ Production (ha)	Buffer zone / Unplanted (ha)	Land Issue	*Others
Miri Timur Plantation	Total Area 3,100	750	2,150	50	Nil	150
*Not Planted yet						

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/10B0A4BED7914D7C9D475B7483CD6AE0.ashx>

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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:**

Comment on MS2530-3 Compliance Status:

Comment on Principle 1	<u>Policy on Implementation of MSPO –</u> It was observed the policy of MSPO was implemented, which was signed by Mr. Terence Cheang Chu King, Managing Director, dated 2nd April 2018. The applicable policy was listed as below: a) Policy Statement for Zero Burning b) Occupational Safety and Health Policy c) Respecting Human Rights Policy d) Policy Statement for No Child Labour e) Environmental & Biodiversity Policy <u>Internal Audit</u> The internal audit was conducted on 22 February 2019. It was observed the MSPO internal audit procedures was available during audit conduct. The audit was carried out to follow up on Stage 1 audit findings. The corrective actions and close out date for the issues were also indicated. Refer to Non-conformity Log dated 23rd February 2019 as per Doc No. IA/NCL/FEB2019/1. <u>Management Review –</u> The Management review meeting was conducted 22nd February 2019 as per Reference No. MR/MTP/2019/FEB2019/1. Audit report was available during audit which include corrective action plans. <u>Continual Improvement -</u> The Continual Improvement Plan (CIP) for Miri Timur Plantation on Lot 4 Block 30 Puyut Land District, Miri Division, Sarawak between Batang Baram and Batang Tinjar, Baram. The Continual Improvement plan for 2019 comprise of: 1. Improvement area 2. Issues/Weakness 3. Improvement Strategies 4. Estimated time frame to complete 5. Projected cost 6. Monitored by 7. Approved budget cost 8. Progress Review.
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Comment on Principle 2	Transparency of information and documents relevant to MSPO requirements The grievance and complaints form were applicable at estate office. The communication procedure with external stakeholders for information request are following the same procedure. The complaint / request form can be made available at estate office. A complaint form received via letter on 2/2/2019 from Mr Ding Ajang, Ketua Kampung. of Kpg Long Spelling Tinjar on request for road repair. A response letter from the estate ref no. MTP/Spelling/2019/1 dated 17/2/2019. Acknowledgement by the KK was sighted as well. Transparent method of communication and consultation The communication between stakeholders and the management was available for Magna Mutual Sdn Bhd. Document title: Consultation & Communication procedure. Document established: January 2019 version 1 <u>Traceability</u> A check on flow of documents on traceability: Estate weighbridge tickets (1) Ticket no: 009747 dated 07/03/2019 Vehicle no: QTP3430 Nett weight: 5440 Kg Bin 4, C9 - 771 bchs (2) Ticket no: 009746 dated 07/03/2019 Vehicle no: QMT7360 Nett weight: 5830 Kg Bin 4, D10 - 1218 bchs (3) Ticket no: 009745 dated 07/03/2019 Vehicle no: QMY2176 Nett weight: 2800 Kg Bin 4, D6 -128, D5 - 420 bchs Weighbridge Advice Ticket - Tinbarap Palm Oil Mill Ticket no.: 153299 Date: 7/03/2019 Vehicle No: QM5873C Nett weight: 13,600 Kg FFB Despatch Note No. 04744 dated 7/3/2019 Total bunches: 2,537 bunches.
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Comment on Principle 3	<u>Regulatory requirements</u> It was observed the estate complied with applicable local, state, national and ratified international laws and regulations, an example: <u>Malaysian Palm Oil Board</u> Registration of Miri Timur Plantation with AKTA LEMBAGA MINYAK SAWIT MALAYSIA 1998 (MPOB), with license Registration No.:593844002000 with activities “<i>MENJUAL dan MENGALIH FFB</i> “. In period one year start from 1 Feb 2019 to 31 January 2020. Estate hectarage in the licence is 3,100 Ha. <u>Business License</u> The businesses, professions and trading licensing ordinance, Borang I was available start from 9 January 2019- 26 Feb 2020. No license : No A 707175 <u>Perakuan Timbang</u> No license : Q 007531 The management manage to show list of all laws applicable to their operations in a legal requirements register in softcopy file namely “LIST OF LAWS”. File : Principle 3 : Compliance to legal requirement The legal register list was established on January 2019. <u>Land Use Rights</u> The management operation is operating within the valid state land: Lot 4 Block 30 Puyut Land District. TRN : 04-LCLS-013-030-00004 Area : 3,100 ha Boundary markers were available during site visits. Area sighted : Block H 1 Boundary with G6 and Neighbor (Kampong Lubuk Kulat & LCDA Land) Company boundary markers on survey map is also available during audit. Coordinate : 3° 55.54” and 3°59.20” (latitude) 114°13.05” and 114°17.55” (longitudes) <u>Customary Rights</u> Maps showing recognized NCR land was not available as the company operated at the valid state land area. The management operation is within the valid state land: Lot 4 Block 30 Puyut Land District.
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Comment on Principle 4	<u>Social Impact Assessment (SIA)</u> MAJOR 1 (4.4.1.1) SIA report was available in the estate management; however, it was not comprehensive as it did not include workers demographic, list of stakeholders, neighbouring and others. The stakeholders meeting was conducted on 29th January 2019. The meeting minute and attendance list were sighted in the estate office. <u>Complaints and grievances</u> The Grievance and Complaint form was made available at the front of estate office. It was observed the Standard Operation Procedures (SOP) was available on site. The acceptance of resolved mechanism by complainants to close the complaint was available. The document was found in Bahasa Malaysia and English Language. <u>Commitment to contribute to local sustainable development</u> It was observed CSR has been done by estate. Record sighted for CSR done in 2018 includes 1. Christmas Donation to longhouse 2. Road Repair for Community 3. Upgrading Facilities 4. Employment opportunities to nearby community 5. Transportaion for sick person (villagers) to nearby clinic (Clinic Bakong) <u>Employees safety and health</u> Occupational Safety and Health was displayed at Estate office, workshop, labour quarters and filing. OSH Policy signed by Managing Director on 3rd May 2018. It was sighted record of OSH committee meetings for year 2019 was available in estate office. The meeting was conduct on 19.01.2019. It can be verified in file Minute of meeting JKKP Year 2018/2019. The agenda of the meeting list as below: a) <i>Kempen kerja Selamat & Menjaga Alam Sekitar.</i> b) <i>Penggunaan alat perlindungan keselamatan (PPE)</i> c) <i>Peti pertolongan kecemasan.</i> d) <i>Lain-lain pekara</i> <u>Employment Conditions</u> MAJOR 2 (4.4.4.2) Under OSH (Safety and Health Committee) Reg 1996, it was observed that the appointed Secretary of OSH Committee for the estate plantation was against the OSH Reg. 1996.
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	Occupational Safety and Health Policy was displayed at Estate office, workshop, labour quarters and filing. OSH Policy signed by Managing Director on 3rd May 2018. It was done in dual language (English and Bahasa Melayu) MAJOR 3 (4.4.5.6) It was observed the employment contract was available. However, it was only signed by one party, which is the employee. Based on the evidence, under OSH(safety and health committee) reg 1996, it was observed that Minutes of meeting for Safety and Health year 2019 dated 19.01.2019, that all employees representative attended. <u>Employment Conditions</u> The management had establish policy on human rights policy in respect of industrial harmony. It was signed by Mr Terrence Cheang Chu King (Managing Director) dated 9th April 2018. Based on the Human right policy, the management do not engage in or support discriminatory practices. <u>Training and Competency</u> External and Internal Training Plan for year 2018/ 2019 was available in the estate record. List of training as below: - MSPO Training - Safety Work Training - Environmental Training - Social Training Example of training conducted as per list below: a. Mock Fire & Emergency Evacuation Drill, 22nd January 2019, Time 1000 am. b. Record of Training for Personal Protective Equipment (PPE), 27th December 2018, 10.00am. c. Record of Training for, Personal Protective Equipment (PPE), 4th January 2019, 10.00am MAJOR 4 (4.4.6.2) Training matrix for individual employees were not available.
Comment on Principle 5	<u>Environmental Management Plan</u> It was observed the environmental policy was available in the estate record. It was displayed at site office, workers camp and workshop, which aims to achieve the goals through: a) Compliance with all relevant statutory and regulatory requirements, b) Continuously addressing environmental and biodiversity issues through implementation

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	The policy was signed by Managing Director, Mr Terrence Cheang Chu King, dated: 10th May 2018. <u>Efficiency of energy use and use of renewable energy</u> Sighted Diesel Consumption records for Miri Timur Plantation were available during the audit. As at the date of audit, consumption records available for the months of January & February 2019. <u>Waste Management and Disposal</u> MAJOR 5 (4.5.3.1) It was sighted, sources of pollution only covered storage of scheduled waste only. However, other sources of pollution were not identified. It was sighted the Re-used empty chemical containers was properly labeled. <u>Reduction of pollution and emission</u> MAJOR 6 (4.5.4.1) It was observed the assessment of all polluting activities were not available to prevent pollution. There was Zero Burning policy was sighted. <u>Natural water resources</u> Bund Inspection & Water Level Report Water level is taken twice a month for all points according to block. This is to monitor the water level. A map is shown to show location of Peat Subsidence Poles. A map is also shown to show location of Water Table Points (Piezometer). The Environmental Monitoring Report for Magna Mutual Oil Palm Plantation on Lot 4, Block 30, Puyut Land District, Miri Division, Sarawak 4th Quarter 2018 (October to December). NREB Reference No: NREB/6-1/2H/121 by Ecosol Consultancy Sdn Bhd. Map showing location of water sampling points MG1 and MG2. Riparian buffer zones sighted with signages and no spraying activities carried out there. <u>Status of rare, threatened, or endangered species and high biodiversity value area.</u> It was observed the conservation area was located next to Block 2016 C with size approximately 28 ha. This area not planted due to fall under category steep area >250.
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	<u>Zero Burning Practices</u> Zero Burning Policy is approved and signed by Mr Terrence Cheang Chu King, Managing Director for Magna Mutual Sdn Bhd dated 10th May 2018. Previous crops were felled, mowed down and windrowed. Later the windrows are compacted.																				
Comment on Principle 6	<u>Site Management</u> The Standard Operating Procedures for Miri Timur Plantation are based on the Agricultural Reference Manual, January 2013 Version 1.0. Best Management Practices of Oil Palm Cultivation on Peatland, MPOB, 20 January 2011. Best Management Practices for Oil Palm Planting on Peat: Optimum Groundwater Table. MPOB Codes of Good Agricultural Practice for Oil Palm Estates and Smallholdings. Block marking sighted which contains information on block no., year of planting, planting material and Ha. <u>Economic and Financial Viability Plan</u> The Budget is done annually. The Budget for 2019 for Miri Timur Plantation: Hectarage: 2,986.58 Ha Total Tonnage crop : 35,000 MT Cost/MT : RM 329.64 5 years crop Forecast <table><tr><td>2019</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td></tr><tr><td>2,908.28</td><td>2,908.28</td><td>2,908.28</td><td>2,908.28</td><td>2,908.28</td></tr><tr><td>37,885</td><td>48,678</td><td>57,950</td><td>63,277</td><td>69,710</td></tr><tr><td>13.02</td><td>16.73</td><td>19.92</td><td>21.75</td><td>23.97</td></tr></table> <u>Transparent and fair price dealing</u> The pricing mechanism is set by Marketing Department. There is a contract agreement between the estate and mill. A Letter of Offer for the Purchase of Fresh Fruit Bunch between Magna Mutual Sdn Bhd and Sarawak Oil Palms Bhd (Tinbarap Palm Oil Mill) dated 27 November 2018. Validity of contract from 1 January 2019 to 31 December 2020. <u>Contractor</u> Miri Timur Plantation has one contractor - Canteen and Grocery Shop. A Contract Agreement is made 3rd February 2019 between Magna Mutual Sdn Bhd and Nur Zahidah Enterprise. Duration of contract: 3/2/2019 - 2/2/2020 Item no.6 - Applicable MSPO Part 3 Principle & Clause	2019	2020	2021	2022	2023	2,908.28	2,908.28	2,908.28	2,908.28	2,908.28	37,885	48,678	57,950	63,277	69,710	13.02	16.73	19.92	21.75	23.97
2019	2020	2021	2022	2023																	
2,908.28	2,908.28	2,908.28	2,908.28	2,908.28																	
37,885	48,678	57,950	63,277	69,710																	
13.02	16.73	19.92	21.75	23.97																	

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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 6		Major 1			
	Date Recorded>	22 nd March 2019	Due Date>	22 nd May 2019	Date Closed>	16 th May 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.1.1	
Document Ref.:	Criteria 1: Social Impact Assessment (SIA)		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Social Impact Assessment was found lacking.					
Objective Evidence:	SIA report was available in the estate management; however, it was not comprehensive as it did not include workers demographic, list of stakeholders, neighbouring and others.					
Close-out evidence:	SIA Report was done on January 2019 – Please refer to Appendix 1 attached with this CAR Form.					

Non Conformity	N° 2 of 6		Major 2			
	Date Recorded>	22 nd March 2019	Due Date>	22 nd May 2019	Date Closed>	16 th May 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.4.2	
Document Ref.:	Criteria 4: Employees safety and health		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Safety and Health Aspect requirement was found inadequate.					
Objective Evidence:	Under OSH (Safety and Health Committee) Reg 1996, it was observed that the appointed Secretary of OSH Committee for the estate plantation was against the OSH Reg. 1996. Based on interview with sprayer (Nurdin), the first aid kit was not available on site during spraying activity. It was observed no awareness of safety as cigarette butts were found at designated non-smoking area.					
Close-out	OSH Practitioners Programme Training Enrolment for Mr. Geoffery Laeng – Please					

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evidence:	refer to Appendix 2 attached with this CAR Form. First Aid Kit Issuance Record to Nurdin before spraying activity is carried out – Please refer to Appendix 3 attached with this CAR Form. Picture of newly constructed designated Smoking Area in the plantation – Please refer to Appendix 4 attached with this CAR Form.
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Non Conformity	N° 3 of 6		Major 3			
	Date Recorded>	22 nd March 2019	Due Date>	22 nd May 2019	Date Closed>	16 th May 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.5.6	
Document Ref.:	Criteria 5: Employment Condition		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Copy of employment contract was not properly documented.					
Objective Evidence:	It was observed the employment contract was available. However, it was only signed by one party, which is the employee.					
Close-out evidence:	Copy of Employment Contract signed by both the employee and employer (6 workers) – Please refer to Appendix 5 attached with this CAR Form.					

Non Conformity	N° 4 of 6		Major 4			
	Date Recorded>	22 nd March 2019	Due Date>	22 nd May 2019	Date Closed>	16 th May 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.6.2	
Document Ref.:	Criteria 5: Employment Condition		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Training needs of employees were not identified.					
Objective Evidence:	Training matrix for individual employees were not available.					
Close-out evidence:	Training Matrix for Individual Employees are available – Please refer to Appendix 6 attached with this CAR Form.					

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Non Conformity	N° 5 of 6		Major 5			
	Date Recorded>	22 nd March 2019	Due Date>	22 nd May 2019	Date Closed>	16 th May 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.3.1	
Document Ref.:	Criteria 5: Waste Management and Disposal		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Sources of pollution was not identified accordingly.					
Objective Evidence:	It was sighted, sources of pollution only covered storage of scheduled waste only. However, other sources of pollution were not identified.					
Close-out evidence:	MTP Sources of Pollutions - Aspect Impact Control Measures & Preventative Plan is available – Please refer to Appendix 7 attached with this CAR Form.					

Non Conformity	N° 6 of 6		Major 6			
	Date Recorded>	22 nd March 2019	Due Date>	22 nd May 2019	Date Closed>	16 th May 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.4.1	
Document Ref.:	Criteria 4: Reduction of pollution and emission		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Assessment of polluting activities was found lacking					
Objective Evidence:	It was observed the assessment of all polluting activities were not available to prevent pollution.					
Close-out evidence:	MTP Sources of Pollutions - Aspect Impact Control Measures & Preventative Plan is available – Please refer to Appendix 7 attached with this CAR Form.					

8. General Observations & Opportunities for Improvement

Positive Observations:

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

Important Observations and Opportunities for Improvements:

- The root causes of nonconformities should be clearly identified and tackle in appropriate

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method.

- The management should appoint suitable person to implement and maintain the traceability system to ensure all document recorded.
- Action taken on complaints and grievance by stakeholders should be highlight and discuss.
- Safety and health practices should be fully implemented.
- All waste products and sources of pollution are been identified and documented accordingly.

Appendix 1: List of Stakeholders Interviewed

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
TR Ambak Ak Usah Neighbouring longhouse	External	1. Opportunities for work for locals. 2. Education incentive as agreed earlier not yet received for now. 3. Allowance for TR RM300.	They have good lasting relationship.
Mr Ho Keng Ping Proprietor, Yaw Pin Hydraulic Hose and Auto Parts Company.	External	No issues.	Good and lasting relationship more than 10 years so no major issues.
Mr Lei Chin Sang Proprietor, Siong Wang Company doing contract works.- transporter.	External	No issues.	Good and lasting relationship more than 10 years so no major issues.
Mr Harry Chuo Sing Teck Branch Manager, KTS Trading Sdn Bhd	External	No issues.	They have good lasting relationship.

The Corrective Action Form Acknowledgement

Signed on behalf Magna Mutual Sdn Bhd	Signed on behalf SGS Malaysia Sdn Bhd
 Mr Terrence Cheang Chu King (Managing Director) 22nd March 2019	 Mr. Abdul Khalik Bin Arbi Lead Auditor 22nd March 2019

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