

Management System Certification MSPO Audit Summary Report Stage 2

Organization:	GRAND OLIE SDN BHD		
Address:	1) Location Address Grand Olie Bakong Oil Palm Plantation, Lot 1, Block 2, BOK Land District, 98000 Miri Division, Sarawak , Malaysia 2) HQ Address: Level 7, Titanium Tower, Lot 1, Brighton Square, Jalan Song, 93350 Kuching, Sarawak, Malaysia		
Standard(s):	MS2530-3:2013 Part 3: Oil Palm Plantations & organised Smallholders	Accreditation Body(s): STANDARDS MALAYSIA	
Representative:	1. Karen Tan Hua Ling, Manager, Plantation Group 2. Dr Lee Chian Teck, Consultant 3. Luna Yeo, Legal HQ 4. Mr Lim Yew Chai, Jugah Alal SEM 5. Laing Ngau, Mohd Hadie, Terence ak albert Luyoh 6. AEMs, SAEM, Exec, GO HQ, etc		
Site(s) audited:	Estate 1 and Estate 5	Date(s) of audit(s):	15th – 17th Oct 2019
Visit Type:	Main Assessment		
Lead auditor:	James S H Ong	Additional team member(s):	1) AbdulKhalik.Arbi (AKA), Lead auditor Principle 3,5,6 Email: AbdulKhalik.Arbi@sgs.com Mobile: +6013 862 8187 2) Daryl Tan (DT), Trainee Auditor Principle 1,2,4 Email : Daryl.Tan@sgs.com Mobile: +60 17 399 6543
This report is confidential and distribution is limited to the audit team, client representative and the SGS office.			

Name of Unit	Location Address	GPS coordinates	MPOB Licence	Certificate Number
GRAND OLIE SDN BHD	Grand Olie Bakong Oil Palm Plantation Lot 1, Block 2, BOK Land District, 98000 Miri, Sarawak , Malaysia	3.8385963, 114.4378455	595175002000 (valid till 29/2/2020) Menjual dan mengalih	Not applicable as this is main assessment

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

Scope	
Plantation / Estate	Production of Sustainable Fresh Fruit Bunches from 10,612.12 ha total oil palm planted area 13,195.13 ha total certified area

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: Major Minor
MS2530-3:2013 Part 3 01 07

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

Not applicable as this is a Main Assessment

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

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

5. Audit Findings

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

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

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

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

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

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

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

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

6. Significant Audit Trails Followed

The specific processes, activities, and functions reviewed are detailed in the **Audit Planning Matrix** (see **Appendix 3**) and the Audit Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

Type of report	MSPO STAGE 02
Organization:	Grand Olie Sdn Bhd MPOB Licence No: 595175002000 (valid till 29/2/2020) Menjual dan mengalih
Address:	<u>Location address:</u> Grand Olie Bakong Oil Palm Plantation Lot 1, Block 2, BOK Land District, 98000 Miri, Sarawak , Malaysia Ha: 10,598.94 Coordinate:

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	3.8385963, 114.4378455 <u>HQ Address</u> Level 7, Titanium Tower, Lot 1, Brighton Square, Jalan Song, 93350 Kuching, Sarawak. Contact Person: KAREN TAN HUA LING MANAGER – PLANTATION GROUP Contact No.: Email: karen karen.tan@grandolie.com Consultant: Dr Lee Chian Teck drleect.focuser@gmail.com		
Visit Number:	MSPO Stage 2	Actual Visit Date:	15 th – 17 th Oct 2019
Visit Due by Date:	-	For auditor information only	
Lead Auditor	James S H Ong (JO) , SGS (Malaysia) Sdn Bhd Principle 1,2,6 Mobile: +6 012 3736605 email : james.ong@sgs.com		
Team Member(s):	1) AbdulKhalik.Arbi (AKA), Lead auditor Principle 3,5 Email: AbdulKhalik.Arbi@sgs.com Mobile: +6013 862 8187 2) Daryl Tan (DT), Trainee Auditor Principle 4,6 Email : Daryl.Tan@sgs.com Mobile: +60 17 399 6543		
Additional Attendees and Roles	-		
Standard(s):	MS2530-3:2013 Part 3: Oil Palm Plantations & organised Smallholders		
Scope	Estate 10,612.12 ha (6 Estate Divisions)		
Audit Language:	English , Bahasa Melayu, local dialects		
Audit Scope:	Production of Sustainable Fresh Fruit Bunches from ___?___ha total oil palm planted area 10,598.94 ha total certified area (as per MPOB licence)		

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
14/10/19	6:00 pm		KCH - MIRI Abdul Khalik AK 6182 ETD 1645 KL – MIRI JO AK5646 ETD 1650 DT AK 5648 ETD 1955	

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			(he will find his way to the hotel if transport not available)	
			Overnight MIRI	
15/10/19	6:30 a.m		Breakfast ,	
	7:30 a.m		Travel to Grand Olie Sdn Bhd (GOSB)	
	9:30 a.m		Opening Meeting by Dato Chris. Presentation by GOSB & SGS (Malaysia) Sdn Bhd and audit briefing and Estate Division to audit Stakeholder appointment arrangement	
	9:30 – 12:30		Document review Closure of the Findings raised during Stage 1	
			Site visit – Estate X - Field operation & interview workers , mandores , contractors - Environmental – waste , water , soil management , biodiversity - Linesite/ Housing and facilities - Boundary - Storage , chemical Handling - PPE / Safety	
			• Principle 1_ Management commitment and responsibility • Principle 2: Compliance to legal • Principle 3: Transparency • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and ecosystem services • Principle 6: Best practices Any new plantings • Principle 7	
			Maps of estate , ,	
	12:30 – 1:30		Lunch	
	1:30 – 5:00		Document review for Principle 1-6 Records of FFB , Records of production report, fertiliser and chemical usage . Payment slip, Safety , health plan, contractors contract and list of workers , passports Interview relevant workers representative , clinic,	

	5:00		Preliminary Day 1 findings	
	5:30 p.m		End of Day 1	
	6:00		O/N Accomodation at Grand Olie Guesthouse	
	7:00		Dinner	
16/10/19	7:00 a.m		Breakfast	
			Travel to other Division Estate Y	
	8:00 a.m		Site visit – Estate Y - Field operation & interview workers , mandores , contractors - Environmental – waste , water , soil management , biodiversity - Linesite/ Housing and facilities - Boundary - Storage , chemical Handling - PPE / Safety	
			• Principle 1_ Management commitment and responsibility • Principle 2: Compliance to legal • Principle 3: Transparency • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and ecosystem services • Principle 6: Best practices Any new plantings • Principle 7	
	12:00		Lunch	
	1:00		Document review	
	5:00 p.m		Preliminary Day 2 findings	
			O/N Accomodation at Grand Olie Guesthouse	
	7:00 p.m		Dinner	
17/10/19	7:00 am		Breakfast	
	8:00 a.m		Complete document review	
			Preparation for closing Meeting	
	12:00 noon		Closing Meeting presentation Findings and recommendation Presentation of Audit Summary Report for Stage 2 Question and discussion	
			End of audit	

	1:30 pm		Auditors travel back to MIRI	
	3:30		MIRI – KCH Abdul Khalik AK 6193 ETD 1845 MIRI – KL JO , DT AK5645 ETD 1750	

Location and Maps

Background

Grand Olie Sdn Bhd (GOSB) was established in the year 2011. GOSB is primarily involved in cultivation and commercial planting of oil palms in Bakong, Miri with a total land area of 13,195 hectares.

GOSB has achieved its first scout harvesting of Fresh Fruit Bunches (FFB) in March 2015 and recently achieved full planting status on 31st December 2015, a milestone for the company.

From the year 2016 onwards, GOSB will be focusing its efforts on upkeep and harvesting works.

The GPS location of the Grand Olie Sdn Bhd (GOSB) is shown in **Table 1**.

Table 1: Estate GPS Location

Name of Unit	Location Address	GPS coordinates Latitude, Longitude
Grand Olie Bakong Oil Palm Plantation	Lot 1, Block 2, BOK Land District, 98000 Miri Division, Sarawak , Malaysia	3.8385963,114.4378455

The location of the estate is presented in **Figure 1 (with reference to the State of Sarawak)** and **Figure 2 for the total Grand Olie Bakong Oil Palm Plantation** and **Figure 3** for the location of the divisional estates namely Estate 1,2,2B,3,4 and 5.

Figure 1 Overall location of the estate

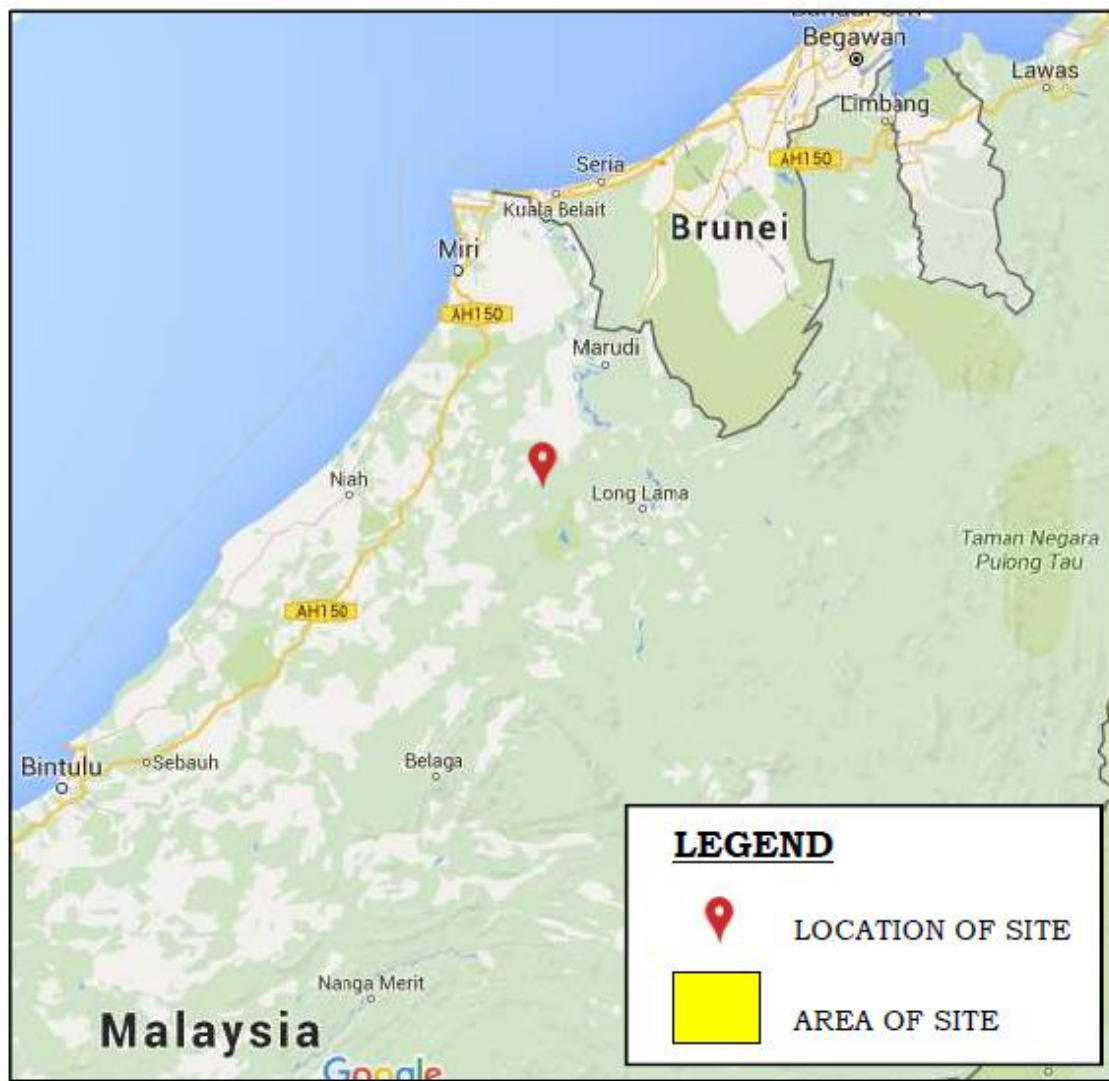


Figure 2 : Map of the estate (in yellow)

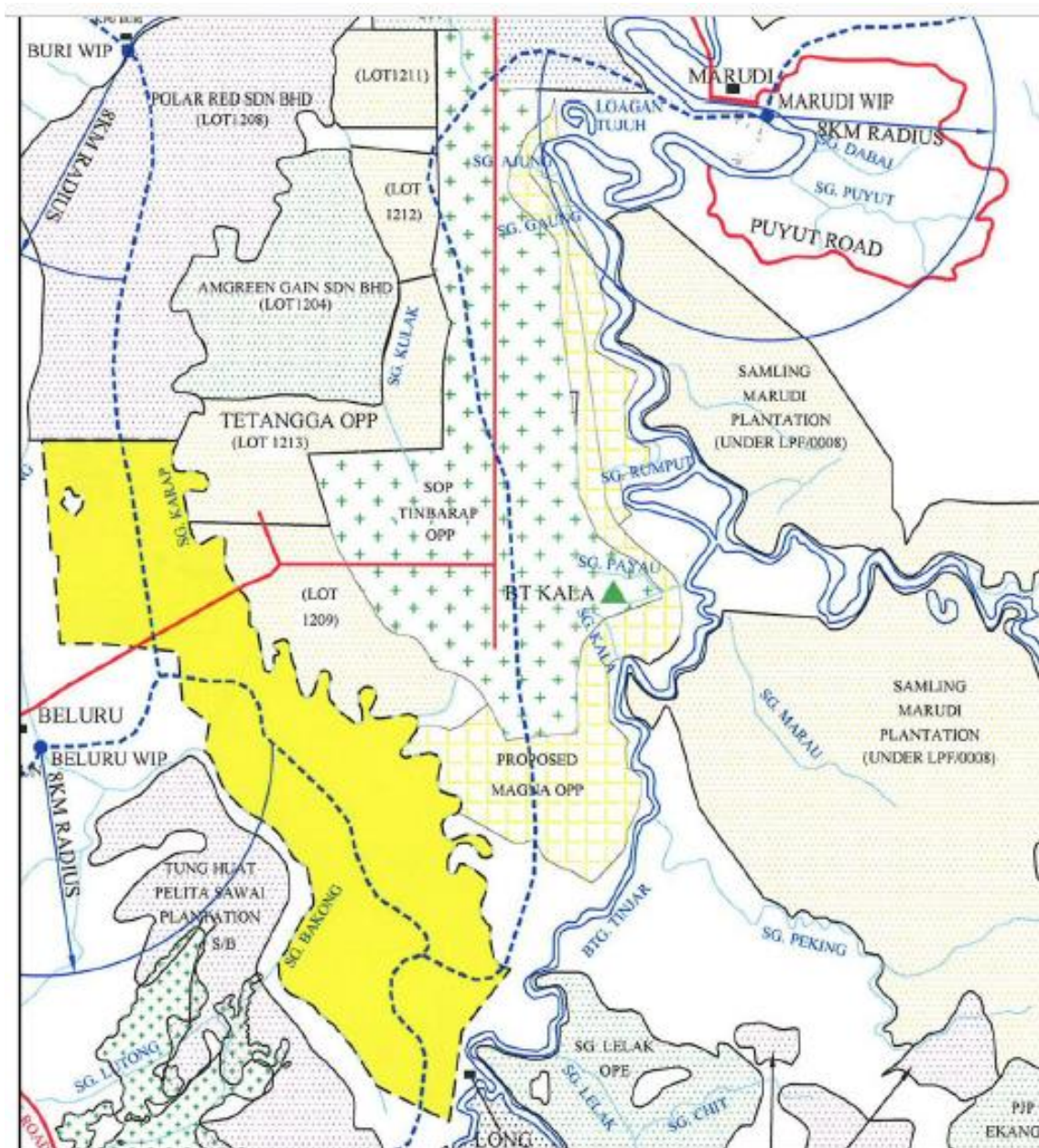
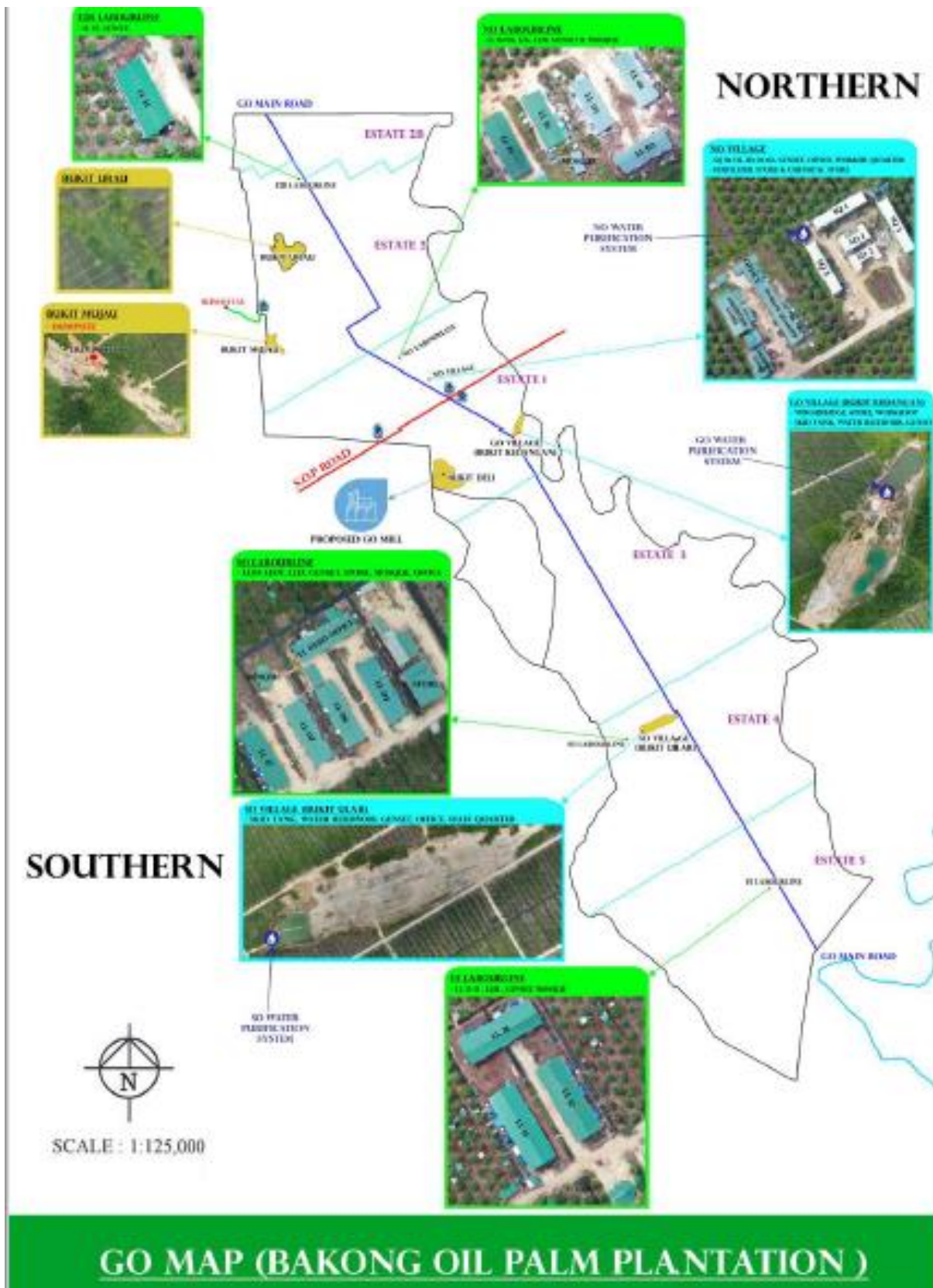


Figure 3 : Location of the Estate Divisions



Description of Supply Base

The FFB are sourced from their own 6 Divisional Estates. The previous actual (FY 2015 – 2018) and the 2019 actual crop yield from each estate is listed in **Table 2** below.

Table 2: FFB Production

Estate	*FFB Production (MT) Period: JAN - DEC	
	Previous Actual FY (2015 - 2018)	Actual (as at Oct) 2019
1	26,631.59	25,841
2	26,458.44	24,484
2B	445.12	3,357
3	8,786.09	15,296
4	7,618.03	14,201
5	4,139.68	11,413
Total	74,078.95	94,952
TOTAL FFB SENT TO PALM OIL MILL	74,078.95	94,952



Area of Plantation

The areas of supplying estates for this operating unit that are to be MSPO certified are listed in **Table 3**. Details of production area (mature/immature) are also listed.

Table 3: Area Statement of the Supplying Estates

Area Statement (Ha)						
Supplying Estate	Titled Area (Ha) (Certified Area)	Planted (Ha)		*Conservation (Ha)	HCV/ High biodiversity value (ha)	**Others (Ha)
		Immature Area (Ha)	Mature Area (Ha)			
1	2,000.58	129.13	1,557.85	n.a	n.a	313.60
2	2,333.59	45.96	2,016.85	n.a	n.a	270.78
2B	727.85	11.69	636.48	n.a	n.a	79.68
3	3,139.26	120.02	1,772.11	n.a	n.a	1,247.13
4	2,451.06	239.32	1,856.92	n.a	n.a	354.82
5	2,542.79	152.09	2,073.70	n.a	n.a	317.00
TOTAL	13,195.13	698.21	9,913.91	n.a	n.a	2,583.01

* Please describe if information available

* e.g Conservation area : riparian reserve, waterways , forest buffer zone etc

** Others : Uncleared, Bukit, Village,Nursery, Buffer Zones, Land Issues (inaccessible) , WSC, Others, Flood Prone Area.

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/grand-olie-sdn-bhd>

Stakeholder consultation took place in the form of meetings and interviews. As this was a main assessment, meetings with workers were held in their respective premises within and near the estate. In all the interviews and meetings/telephone conversation , the purpose of the audit was clarified at the outset followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded in accordance with relevant MSPO principles, criteria and indicators.

As till the date of audit, no comments were receive by the certification body.

See **Appendix 2** for stakeholder's details and comments.

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Comment on MS2530-3 Compliance Status:

Comment on Principle 1	<u>Policy on Implementation of MSPO –</u> As reported under 4.1.1.1, the revised MSPO Policy sighted for the implementation of MSPO signed by Dato Chris Chung Soon Nam , Executive Chairman , dated July 2019. Policy awareness training conducted on 11/09/19 and 12/9/19 for the workers (TKI and local) for Northern and Southern Estate respectively . <u>Internal Audit –</u> As reported under 4.1.2.1, annual Internal audit was conducted again and reported in their 'Internal Quality Audit Year 2019 ' prepared by the Lead auditor/ Consultant : Dr Lee C.T 23-27/9/19 For the non-conformity , a Corrective Action Request (CAR) was raised and the form, . Form No: GO-L3-TM01/F03 filled . The CAR Control No: CAR CAR/IA/190904 was sampled and the follow up audit was conducted on 4/10/19 to ensure its closure During Stage 2, all the NC raised during Stage 1 were closed . <u>Management Review –</u> As reported in 4.1.2.3 , the previous Internal audit report was made available to the management for their reviewed on 1st April 2019 And reported in 4.1.3.3, as per Management review procedures , Control No:GO-L3-TM02 (rev 0 , dated 2/5/18) on pg 2 , it is stated that ' <i>the Management shall review at least once a year/ annually</i> ' . <u>Continual Improvement -</u> As reported under 4.1.4.1, the action plan for continual improvement for 2019 was documented in their Management review .under 'continual Improvement Request Form No: GO-L3-TM02/F02 The continual improvement identified were categorised. As reported under 4.1.4.2, the company has invited suppliers/ agronomist to establish a system to improve practices in line with new information and techniques or new industry standards and technology In 2018 , the following were participated by the estate staff to keep themselves updated: 1) Leaf sampling technique by Mr Seah , Agronomist 19/11/18 participated by Estate 1& 2 staff (13) 2) Weed control by Imaspro Resources – Herbicide Set-up 480 (a.i 41% glyphosate) CKS GWC 3) HQ staff attended recent MPOB ToT in Bangi however the information not transferred to the estates.
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	4) 24/7/19 WAGRO – Paraquat Mr Lai Woon Nui Observation N°1 of 5 – 4.1.4.2 raised																						
Comment on Principle 2	<u>Transparency of documents relevant to MSPO requirements –</u> As reported in 4.2.1.1, the management has the Transparent Method Control No : GO-L3-TM03 rev 0 has the flowchart for the process for consultation and communication with the relevant stakeholders. The flow has the following: 1) Identify relevant stakeholder 2) Inform stakeholder 3) Check attendance (they plan to remove the 50% quorum required) 4) Conduct Stakeholder meeting 5) Develop Management plan for identified Action items 6) Follow up of action needed 7) Status <u>Transparent method of communication and consultation –</u> As reported in 4.2.2.1, the management has established procedures for consultation and communication with the relevant stakeholders. Transparent Method Control : GO-L3-TM03 rev 0 has the flowchart for the process for consultation and communication with the relevant stakeholders. As reported under 4.2.2.3, A list of Stakeholder was sighted in the 'Stakeholder Register ' Form No: GO-L3-TM03/F01 , rev. 0 with the following: <table border="1"> <tr> <th>Stakeholder</th><th></th></tr> <tr> <td>Local community</td><td>9</td></tr> <tr> <td>Neighbouring Estate</td><td>2</td></tr> <tr> <td>Palm Oil Mill</td><td>1</td></tr> <tr> <td>Collecting Centre</td><td>1</td></tr> <tr> <td>Regulatory & Statutory bodies</td><td>6</td></tr> <tr> <td>Schools</td><td>3</td></tr> <tr> <td>Suppliers</td><td>3</td></tr> <tr> <td>Contractor</td><td>3</td></tr> <tr> <td>Canteen Operator</td><td>2</td></tr> <tr> <td></td><td></td></tr> </table> However the list was not up to date as collecting Centre UPMills Sdn Bhd was not included in the list. Observation N°2 of 5 – 4.1.4.2 raised <u>Traceability –</u> As reported in 4.2.3.1, The management has established, implement and maintain a standard operating procedure to comply with the	Stakeholder		Local community	9	Neighbouring Estate	2	Palm Oil Mill	1	Collecting Centre	1	Regulatory & Statutory bodies	6	Schools	3	Suppliers	3	Contractor	3	Canteen Operator	2		
Stakeholder																							
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Schools	3																						
Suppliers	3																						
Contractor	3																						
Canteen Operator	2																						

	requirements for traceability of the FFB : Traceability System Inspection Procedure dated 5 March 2019 . Within the procedure the following were sighted under several attachment : 1) Traceability System Inspection Form No: GO-L3-TM04/F08 2) Sample of FFB Despatch Note 3) Daily FFB Transportation (External – field Ramp to mill) Form No: GO-L3-TM04/F06 4) Weighbridge Advice Ticket – Niah POM 5) Borang Penggredan – Niah POM 6) Field FFB Bunch chit 7) Daily FFB Harvested Record: Form No: GO-L3-TM04/F03 8) Daily FFB Evacuation Form: Form No: GO-L3-TM04/F04 9) Grand Olie Sdn Bhd : Bakong oil Palm Plantation weighbridge advice ticket 10) FFB Despatch Note No: 011066 The procedure was not up-to-date as the SOP FFB : Traceability System Inspection Procedure dated 5 March 2019 still state delivery to Niah POM when no more deliveries were done. Observation N°3 of 5 – 4.2.3.1 raised
Comment on Principle 3	<u>Regulatory requirements</u> – The estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations. Natural Resources and Environment Board Sarawak EIA Report Approval Approved on 1st November 2011 Reference No.: (14) NREB/6-1/2H/125 MPOB Licence No.: 595175002000 Licence activities: Menjual dan Mengalih FFB Period: 1st March 2019 till 29th February 2019 Keluasan: 10,598.94 hectares. 13,195.00 ha Land Title TRN: 04-LCLS-019-002-0001 an BOK Land Block 2, Lot 1. The application of MPOB licence was based on seeding purchasing from the supplier. Ordinan Perniagaan, Profesion dan Perlesenan Perdagangan.: No.A 756049 (Oil Palm Plantation). Period 28.05.2019 – 15.06.2020. Person in-charge to monitor the compliance legal requirement is Ms Luna Yeo as Legal Register Officer.

It was observed the document for legal related requirement was in placed and file in namely “**Legal Register**” Grand Olie Sdn Bhd. It will done by yearly basis or any changes in the laws register.

Land Use rights –

It was sighted that, palm oil activity was operate in the land title itself. The plantation estate personnel had shown the land title and it was private and confidential.

Details of land title as follows:

Lease of state land

Classification : Mixed Zone Land

Category : Country Land

Locality : Between Sungai Bakong and Sungai Tinjar, Bok Baram

TRN : 04-LCLS-019-002-00001

It was observed the estate management had provide legal ownership or lease of the estate. It can be verified in the EIA report. Which obtained approval on 1st November 2011 with EIA approval reference No.: (14)NREB/6-1/2H/125.

Currently, the planted area is 10,598.94 ha. The application of the MPOB license was based on current condition of the year planting. For certification purposed the hectares follows land title which is

The plantation estate personnel had shown the land title and it was private and confidential.

Details of land title as follows:

Lease of state land

Classification : Mixed Zone Land

Category : Country Land

Locality : Between Sungai Bakong and Sungai Tinjar, Bok Baram

TRN : 04-LCLS-019-002-00001

The estate is operating on state land project (Stage 1 audit Estate 1 & 2)
Estate 1 (1,450.8 ha) & Estate 2 (1,965.36)

Description	Estate 1	Estate 2
Planted	1450.8 ha	1965.36
Mature	1336.62	1924.12
Immature	114.18	41.24
Buffers/ Unplanted	Nil	NIL
Scout harvesting	NIL	NIL
Total Area	1450.8	1965.36

Customary rights –

	There is no issues or encumbered by customary rights in the estates. The estate will respond according to the Complaints/Grievance Mechanism should any cases arise in future.																		
Comment on Principle 4	<u>Social Impact Assessment</u> – The social impact assessment for the site is detailed in form no. GO-L3-SH01/F01 Hazard Identification, Risk Assessment, Risk control & Environmental Aspect, Environmental Impact. The SIA was prepared internally, current revision date is 28/09/2019. There is a total of 4 activities assessed: 1. Plantation 2. Storage 3. Maintenance 4. Administrative & Human Resources The site performs an assessment of the significant of the risk. Risk which are considered significance require actions to mitigate or promote the positive impact. Social impact which was identified and the plants for mitigation of negative impact and promotion of positive impacts are documented, for example <table><tr><th>Specific Activity</th><th>Impact</th><th>Opportunities/Actions</th></tr><tr><td>Chemical Preparation</td><td>Potential to interrupt the peaceful environmental of the community staying nearby</td><td>Not significant – no action taken</td></tr><tr><td>Oil Palm Plantation Development</td><td>Disposal of biomass and air pollution due to open burning</td><td>Practice zero burning to eliminate air pollution problem</td></tr><tr><td>Toilet</td><td>Septic waste interrupt the peaceful of the community staying nearby</td><td>Not significant</td></tr><tr><td>Labour line & staff quarters</td><td>Potential health hazard – dengue, chikungunya, malaria, yellow fever, zika, etc.</td><td>Establish and implement internal audit process (GO-L3-TM01). Regular housekeeping at labour line and staff quarters.</td></tr><tr><td>Pest Control</td><td>Potential soil/ water/ groundwater contamination</td><td>Selection of pesticides, consideration should be given to the acute and residual toxicity, the rate of degradation in soil and water, and the toxicity of degraded components.</td></tr></table>	Specific Activity	Impact	Opportunities/Actions	Chemical Preparation	Potential to interrupt the peaceful environmental of the community staying nearby	Not significant – no action taken	Oil Palm Plantation Development	Disposal of biomass and air pollution due to open burning	Practice zero burning to eliminate air pollution problem	Toilet	Septic waste interrupt the peaceful of the community staying nearby	Not significant	Labour line & staff quarters	Potential health hazard – dengue, chikungunya, malaria, yellow fever, zika, etc.	Establish and implement internal audit process (GO-L3-TM01). Regular housekeeping at labour line and staff quarters.	Pest Control	Potential soil/ water/ groundwater contamination	Selection of pesticides, consideration should be given to the acute and residual toxicity, the rate of degradation in soil and water, and the toxicity of degraded components.
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Pest Control	Potential soil/ water/ groundwater contamination	Selection of pesticides, consideration should be given to the acute and residual toxicity, the rate of degradation in soil and water, and the toxicity of degraded components.																	

			Follow national laws pertaining to prohibited chemicals and guidelines on pesticides. Monitoring of water quality by testing from physicochemical changes in the water and pesticide residues included in the EMP, existing water quality standards as set for the use by the agencies in Sarawak should apply.
<u>Complaints and grievances –</u> Sighted the complaints and grievance procedure GO-L3-SR02 last revised on 02/05/2018. A flow chart documenting the method of raising complaints or grievances were documented. Based on the procedure, if action is required, the action will be determined within 10 days. The complainant will be kept informed if the action is rejected. Based on the complaint record, all issues raised in 2019 has been resolved in a timely manner. Longest complain resolution was 2 months since complaint due to the scale of the action required (widening the drainage of the affected area). Complaint form was sighted at the following areas: 1. Guardhouse 2. Estate Office (Northern) 3. Estate Office (Southern) The complaint form was written in both English and the local language. The site communicates the method to raise complaints and grievances during the stakeholder meeting. Sighted the stakeholder meeting minutes dated 28/09/2019 and 21/01/2019. The minutes include in item 9.0 Provide awareness of complaints and grievances procedures and how to lodge complaints: Complaints & Grievances. The attendees of the meeting included, for example the following groups: SG Urong, RH Empaga, SOPB, Grand Olie (internal stakeholder), and Terre Enterprise S/B. Interviewed storekeeper at Estate 1 Workshop and harvester at Estate 5. The employee understood the complaint procedure and the location of complaint box. Sighted the records of complaints/grievances raised. There were complaints and grievances which was raised by external stakeholders including those from neighbouring estates and neighbouring longhouses. Sampled the complaint dated 02/03/2019 raised by stakeholder from RH Labang (Neighbouring Longhouse). Issue raised was “Kawasan tanah kampung terjejas akibat banjir kerana system saliran yang tidak berfungsi dengan baik. Mohon pihak Grand Olie menilai semula system saliran, terutama sekali yang			

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bersempadanan dengan Kawasan tanah kampung. Masalah ini menjejaskan pendapatan dan ekonomi penduduk kampung”.

The investigation and corrective action was done by the infrastructure department by widening the drainage. The action taken was verified on 03/04/2019. Evidence of corrective action was recorded and attached with the complaint form.

Commitment to contribute to local sustainable developments –

The site contributes to the local development in consultation with the local communities. Sighted the following activities done for the local community:

1. Road maintenance for the bridges and road network to provide access to the local communities within the vicinity. Including the construction of feeder roads to some villages.
2. Providing resources to widen the drainage at Sg. Karap for Rumah Labang to avoid flooding at the longhouse.
3. Contributing and celebrating together with the local communities for Gawai celebration (Ngiling Bidai).

Provide food rations, supplies and assistance due to heavy rain in Miri which led to flash floods around the vicinity.

Employees health and safety –

The site has established a Safety and Health Policy which is endorsed by Dato Chris Chung Soon Nam/Executive Chairman on July 2019.

The policy establishes the commitment to:

1. Provide and maintain a safe and healthy work environment in accordance with industry standards and in compliance with the OSH rules and regulations and will strive to eliminate any foreseeable hazards which may result in property damage, accidents, or personal injury/illness
2. Establish a safety & health committee, consisting of management and labor representatives ...
3. Enforcement a company safety and health rules and require employees to follow the rules as a condition of employment.

The policy is displayed at various locations at the estate including the chemical store, guardhouse, and estate offices.

The policy is also communicated to the workers through a morning muster briefing. Sighted the training attendance list dated 12/09/2019, 11/09/2019 and 12/09/2019. The attendees, for example, include harvesters, general workers, drivers, mandores, carpenters, Sr. Asst. Estate Manager and Admin Clerk.

The risk of the operations is documented in form GO-L3-SH01/F01 Hazard identification, risk assessment, risk control & environmental aspect, environmental impact. There is a total of 4 general activities assessed, including, plantation, storage, maintenance, and administration & human resource.

The following are examples of the risk assessed:

Hazard	Effect	Risk Rating
Usage of flammable chemical	Fire	R1

Excessive load	Potential safety hazard - Overturning, overloading, collision	R2
Manual handling	Potential health hazard – heavy lifting, awkward posture	R1
Animal attack	Animal poison	R2
Vibration	Fatigue	R1

Sighted the training record for employees exposed to CHH. The following training are performed:

Training Title	Date
Taklimat Keselamatan (Harvest, Spraying, Manuring)	11/10/2019
Safe handling of chemicals	09/10/2019
Chemical Safe Handling – Paraquat	24/07/2019
Chemicals Empty Jar Triple Rinse & Safe Use of Pesticides	17/07/2019

The training is attended by the employees of various groups, for example: field supervisors, mandores, store supervisors, field supervisors, audit executives, director, and sprayers.

The site has identified the list of PPE required based on the risk assessment performed. This is documented in a list titled “List of PPE provided based on job scope”. This includes, for example:

Job Scope	PPE required
Harvester	Safety helmet, safety vest, rubber boots, sickle cover, chisel cover, loading spike cover
Tractor Driver	Safety helmet, safety vest, rubber boots
Mechanic	Safety helmet, safety vest, safety shoe, hand gloves, face shield
Sprayer	Safety helmet, safety vest, rubber boots, mask, apron, nitrile gloves, goggles.

Sighted the PPE issuance records, for example:

Name	Date	PPE Issued
Worker A	18/01/2019	Safety Glass, Mask, Glove, Apron
Worker B	18/01/2019	Safety Glass, Mask, Glove, Apron
Worker C	09/03/2019	Safety Glass, Glove
Worker D	09/03/2019	Safety Glass, Glove
Worker E	08/09/2019	Safety helmet

Interview with Nizam/storekeeper confirmed that the understood the PPE required to be worn, can show the method of wearing the PPE correctly and the method of determining if PPE needs to be replaced.

During site visit, workers performing manuring, harvesting and spraying were sighted with the PPE provided. However, it was sighted that some PPE used by the workers were damaged. Example include N95 worn by Manurer and Sprayer. (Minor NC N°1 of 8 – 4.4.4.2)

Interview with Manuring workers understood that the PPE was provided by the management for free.

The site establishes a Safe Operating Procedure for handling of chemicals to ensure proper and safe handling and storage of CHH. The procedure has been documented Work Instruction Hazardous Chemicals G0-L4-HS08. Chemical storage areas have adequate signages including, for example:

1. No entry signage
2. PPE Signages

Chemical register was sighted located at the areas where chemical was stored, e.g. maintenance workshop chemical store. SDS was available on site, for example:

SDS	Date Review
Tellus 68	08/05/2018
Spirax S2	08/05/2018

Sighted the CHRA HQ/14/ASS/00/341-2019/024 performed by registered assessor HQ/14/ASS/00/341 dated 19/08/2019. A total of 40 chemicals were classified as moderate or low risk and inadequate control measures. Examples include:

Work Unit	Chemicals
Sprayer	Supremo 41 + Ally 20 DF Mixture
	Protect 333
	Ansar
	Copton
	Dipel Palm
	Ally 20 DF
Mechanic	LPG
	Welding Fumes

A total of 134 chemicals were classified as adequate control regardless of level of risk. Examples include:

Work Unit	Chemicals
Manuring	Chelated Zinc
	Muriate of Potash
Mechanic	SW305
	Diesel

However, it was found that not all chemicals on site was assessed, for example, Scheduled Waste generated on site, there was SW generated by the site (example including, SW306, SW307, SW102), however in the CHRA there was only SW305 assessed (Minor NC N°1 of 8 – 4.4.4.2). The following are recommendations to be taken by the site, for example:

Control Measure	Description
Engineering Control	Install wall exhaust fan, portable exhaust ventilation
PPE	OV cartridge to storekeeper for inhalation.
Personal hygiene	Food and drink should not be kept or consume near hazardous chemicals.

Medical surveillance	Establish medical surveillance for pesticides
Specific control	Substitute Garlon 250 due to carcinogenic elements.

Action taken on the recommendation of CHRA was sampled.

During field visit, it was sighted that 3 out of 10 employees performing packaging of fertilizers at Estate 1 was eating while performing packaging of fertilizers (Minor NC N°1 of 8 – 4.4.4.2).

Medical Surveillance performed on 07/10/2019 were sighted. There were two medical surveillance available, both were sighted, and it was found that the workers were both fit to work. However, there was no medical surveillance done for sprayer from site

The person assigned for the occupational safety and health issues for the estate is Authur Ujai Anak Noel Johntan. Who is a competent Site Safety Supervisor HQ/18/SSS/00/3533 valid from 17/10/2018 to 16/10/2021.

The site performs two-way communication with the workers through an OSH committee. The OSH committee met on 22/01/2019, 13/06/2019 and 15/08/2019. The site did not conduct regular OSH committee meeting as per the frequency required by OSH (SHC) Reg 1996 Reg 21(1) where "...shall not meet less than once in three months". Meeting minutes included discussion on workplace inspection reports, incidents or injuries, OSH activity calendar, reports on OHS issues, OSH implementations, contractor compliance, upcoming works, review of safe work procedures and risk assessments, review of OHS purchasing checklists, legislation changes, new business.

The site establishes an accident procedure titled Accident investigation & reporting GO-L3-SH04 dated 02/05/2018. The procedure establishes the classification of incidents and the escalation process for accidents. JKPP 8 was submitted for 2018. There were no accidents recorded. The JKPP 8 was submitted on 15/01/2019. Interview with storekeeper confirmed that there are no accidents have occurred on the site in 2019.

Emergency assembly point is located at various location at the site. Interview with workshop personnel confirmed that he understood the location of assembly point and what to do during an emergency. The site also establishes an ERT. ERT organization chart was sighted.

Equipment for emergency response include first aid kits, spill kits and fire extinguishers. Spill kits were sighted on site, the spill kits were found to be available at areas where chemicals are stored e.g. chemical store, workshop. Fire extinguisher was sampled at the following locations:

Location	ID	Expiry
Workshop	Y080124	02/08/2020
Block11(1)	Y070341	02/08/2020
Surau	Y071879	02/08/2020

Sighted emergency eye wash and shower at Estate 1 Chemical Mixing Area. The chemical mixing area was provided with clean water for washing in case of emergency. Sighted emergency eye wash and shower at LQ13 Chemical Store. The eye wash was sighted to be functioning.

There are a total of 24 employees who are certified as first aiders. Sampled 5 first aiders from the list, they are trained on the 16/05/2019. Interview with first aider at workshop confirmed that he understood the first aid requirements and the emergency evacuation process. He was also able to show the location of the first aid kit.

Sighted the first aid kit at the workshop, the first aid kit was adequately filled. Items sighted in the first aid box include, for example, scissors, bandages, safety pins, and plasters. Sighted during visit at field work at H46 (Box B Estate 5), first aid kit was available at the site. The first aid kit was controlled by first aider.

The first aid kit was inspected on a monthly basis. Inspection records was sighted, example as follows:

Box	Last Inspection
B Estate 5	22/09/2019
LL 09 (10, 8 and SW4)	05/09/2019
Southern Office	24/09/2019
Surau TK1 (D7)	05/09/2019

There was no accident on site in 2019. As such no records are available. The review of accidents is done in the OSH committee meeting. This is evident through the agenda of the meeting sent out and the minutes of meeting.

Minor NC N°1 of 8 – 4.4.4.2 raised

Employment conditions –

The good social practices policy was sighted. The policy is endorsed by Executive Chairman on July 2019. The policy establishes commitment to the following.

1. Prohibit illegal, abusive, forced or child labour
2. Commit to the respect and protection of human rights
3. Elimination of discrimination in employment and promotion of equal rights
4. Respect the right of indigenous and local communities
5. Support the inclusion of smallholders
6. Work with parties to resolve complaints and conflicts through an open transparent and consultative process
7. Providing safe environment free from discrimination
8. Zero-tolerance on sexual harassment

The policy is available in both English and the national language. The policy is displayed at various locations at the estate including the chemical store, guardhouse, and estate offices.

The policy is also communicated to the workers through a morning muster briefing. Sighted the training attendance list dated 12/09/2019, 11/09/2019 and 12/09/2019. The attendees, for example, include harvesters, general workers, drivers, mandores, carpenters, Sr. Asst. Estate Manager and Admin Clerk.

The site management does not engage or support in discriminatory practices. This is emphasized in the policy “provide a safe environment for all employees free from discrimination on any ground...”. Interview with Storekeeper and Workshop confirmed that there have been no incidents regarding discrimination at the site.

Sampled the pay records for the following employees:

Worker A

Description	Aug 2019	Sept 2019
Attendance	25 Days	26 Days
Hardship Allowance	542.28	481.08
Attendance	25.00	52.00
FFB Harvesting	910.00	910.00
Harvesting Incentive (1)	100.00	100.00
Harvesting Incentive (2)	1438.20	1013.00
Rotten Bunches	28.50	25.60
Incentive for good	50.00	50.00
Total	3093.98	2631.68

Hardship allowance – for difficult to access area

Attendance – 25day RM1/day, >25day RM2

Harvesting Incentive (1) - >6500bunch RM100

Harvesting Incentive (2) - >6500bunch RM0.20/bunch

Rotten Bunches – RM0.05/bunch

Normal Bunches – RM0.14/bunch (FFB harvesting)

Incentive for Good (Quality) – RM 50.00

Worker B

Description	Aug 2019	Sept 2019
Attendance	26 Days	27 Days
Basic Wage	550.03*	169.24**
Rest day OT	84.62	N/A
Attendance	52.00	54.00
Circle Raking ¹	51.22	N/A
Manual Circle ²	90.36	N/A

	Overall Spray ³	31.00	N/A
	General Works	N/A	1114.63
	Total Earning	859.23	1337.87
*13 days – 9 days General work (RM380.79) and 4 days IBG Spraying (RM169.24) ** 4 days for – IBG Spraying (RM169.24) ¹ – rate RM 13.00 @ 3.94 Ha (RM51.22) ² – rate RM 0.12 @ 753 Palm (RM90.36) ³ – rate RM 10.00 @ 3.10 Ha (RM31.00) Review of records of Worker B shows that the attendance for Aug 2019 is 26 days. However, the employee does not earn minimum wage. This is not in accordance with Minimum Wage Order (Amendment) 2018, order 4, In relation to an employee who is not paid basic wages but is paid wages only on piece rate, tonnage, task, trip or commission, the rate of monthly wages to the employee shall not be less than RM1100.00. During interview with 3 Sprayer a understood that they sometimes perform OT on weekends, and they are paid by piece rate. However, the payment of piece rate was not at the OT rate of pay. Interview with management confirmed that there is no premium payment for the piece rated work on OT or weekend/off day OT. This is against s105C(5) of the Sarawak Labour Ordinance where “An employee employed on piece rates who works on a rest day shall be paid twice his ordinary rate per piece”. Major NC N°2 of 8 – 4.4.5.3 raised There were 3 contractor groups on site at the time of audit. Sampled the contract for one of the contractors, document no. GO/Legal/BR/Infra-E3/2019(01) dated 04/07/2019. The contract includes the requirements to comply with MSPO requirements, such as: “4.2 Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements...” The contract was endorsed by contractor’s director. The site establishes the records of employees working at the site. This is split by estates 1 to estate 5. The list includes: 1. Name 2. Gender 3. Date of entry 4. Job description 5. Wage 6. Period of employment This record is available for both local and foreign workers. From August 2019 the site management uses a “<i>Buku Perjanjiaan Kontrak Pekerja</i>” as a contract between them and the Indonesian workers (TKI). This contract includes, for example: 1. Worker roles and job description			

2. Work contract
3. Working hours
4. Wages
5. Leave entitlement
6. MC entitlement
7. Passport

Sampled the contract for worker from Estate 5. The contract is available in Bahasa Malaysia. The contract is signed/acknowledged by estate manager, 2 witnesses and the worker. However, there is a clause on the keeping of passport by the management, as quoted below:

“1.3.2(i) Semua passport pekerja yang berkhidmat di ladang Grand Olie Sdn Bhd akan disimpan di Pejabat Ladang Grand Olie Sdn Bhd oleh Pengurus atau Pegawai Ladang yang dipertanggungjawabkan bagi mengelakkan sebarang kemungkinan rosak atau hilang...”

This clause is unfair and is against section 12(1)(f) of the Passports Act 1966 where any person who without lawful authority, has in his possession any passport or internal travel document issued for the use of some person other than himself shall be guilty of an offence.

Minor NC N°3 of 8 – 4.4.5.5 raised

Time recording is done by supervisor and admin clerk. Sighted the Check roll for the month of August 2019 and September 2019.

Attendance record for Worker A was sighted:

1. Aug 2019 – 25 days attendance
2. Sept 2019 – 26 days attendance

Attendance record for Worker B was sighted:

1. Aug 2019 – 26 days attendance
2. Sept 2019 – 27 days attendance

The employee is free to check with the estate clerk for any issues regarding their working hours.

The time records show that amount of OT worked beyond the usual working hours. Sampled Worker C for the month of Sept, OT on the following days was sighted.:

Date	OT Hours
04/09/2019	2.5 Hours
14/09/2019	3.5 Hours
19/09/2019	2.5 Hours
20/09/2019	2.5 Hours
21/09/2019	2.5 Hours
28/09/2019	2.5 Hours

The site has established the time record system for the employees on site. The time records are done manually through the check roll records.

	The working hours are as follows: Start work – 6:00AM Break time – 11:30AM to 12:30PM End work – 3:00PM Overtime is mutually agreed between the worker and the estate management. The overtime is paid at a premium of 1.5x for normal OT and 2.0x for holiday OT. The wages and payment are documented on the payslips. The details are sighted for Worker A and Worker B for the months of August 2019 and September 2019. The payslip documents the required information such as: 1. Name of employee 2. Pay period 3. Dept 4. Earnings 5. Deductions 6. No. of days working The payslip is approved by the site and acknowledged by the employee. The estate provides the following social benefits to the employees, their family or the community: 1. Incentive for good work – as sighted in payslip sampled in the month of Aug & Sept 2019. 2. Long service bonus for employees serving for more than 2 year. 3. Transport for worker's children to school. 4. Free meals for the staff, twice a day, for lunch and dinner. Site visit to worker accommodation LQ 13 was performed. The estate provides the workers with free water and electricity. The electricity is generated through genset and is available from 3AM to 6AM and 6PM to 10PM daily. Sighted LQ13 Room 4 and LQ13 Room 2. The external appearance of the building is kept in good state of repair and was found to be secured from the inside. There was no sign of refuse or undergrowth in the drains surrounding the area, and all non-recyclable refuse generated from the accommodation was kept in bags to be disposed to the landfill. Recycled items are disposed in the recycle bins located at the front of the accommodation. Emergency equipment was available for the sampled areas. Sighted the first aid kit and fire extinguisher (valid until 02/08/2020). Emergency evacuation plan, and emergency contact number. The interior area was visited. Toilets were found to be available and clean. There was cooking facilities and cleaning facilities at the housing area. However, there are missing window panels at one of the rooms in LQ13 Room 4 Site visit to LQ 13 Room 2 was performed. The room serves as a nursery for 2 children under the age of 4. Sighted the swings for the children and play equipment at the room. However, there is inadequate ventilation and control of temperature for the room
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Inspection of the worker's accommodation is done by the estate. Sighted the photo report dated 15/10/2019. This is confirmed during worker interview with Sprayer.

Interview with Harvester confirmed that the housing was kept in good condition and the facilities (water and electricity) provided was adequate for their use.

Minor NC N°4 of 8 – 4.4.5.11 raised.

The policy for good social practices establishes commitment to zero-tolerance on sexual harassment. Training on sexual harassment was performed by the estate on 12/09/2019 and is attended by various workers for example manurers, mandores, drivers, harvesters and estate managers.

Interviewed with three female sprayers confirmed that there were no sexual harassment issues at the estate. They are aware that if there are any cases, they are free to highlight to their management for action.

There is currently no worker union formed at site. This is confirmed through worker interview with and interview with the management. The workers are represented through the worker representatives for the SHE committee. The representatives are informed to the workers through notice boards located at various areas in the estate including the Northern Estate Office, Southern Estate office and Labour Quarters LQ12. However, during worker interview, they do not know their worker representatives.

Observation N°4 of 5 – 4.4.5.13 raised

There is no children or young person performing work at the estate. This is confirmed through interview with Harvester. Review of records from the site also confirmed that the youngest worker at the site is born on 29/11/1999 who started work in 26/09/2019, who is 19 years 9 months and 28 days on the date of hire and is above the minimum age for work.

Training and competency –

The site establishes a training plan on an annual basis. The training plan for 2019 is documented in GO-L3-HR02/F02. The training plan establishes the training plan for the following groups of participants:

1. Management
2. Employees
3. Local communities

Examples of the training program planned for 2019 are as follows:

Participants	Title	Planned Month
Management Staff, Stakeholders	Policies	21/01/2019
		18/07/2019
		16/08/2019
Stakeholders	Complaints and grievances	21/01/2019 28/09/2019
Employees	ERP	12/09/2019

	<table><tr><td>Employees</td><td>Chemical & pesticide training</td><td>24/07/2019</td></tr></table> The site establishes a training matrix for the site in form GO-L3-HR02/F01. The training matrix for Estate 5 is sighted. The training matrix establishes the competency for the following skills – harvesting, manuring, weeding, lorry driver and spraying. Employees are rated from 0 to 4, where 0 is the lowest level of competency (un-trained) and 4 is the highest level of competency (trainer). The competency of the workers is reviewed on an annual basis or when there are any changes in the skill level of the workers. The training plan is available as documented in Training & competency procedure GO-L3-HR02. For the workers on site, the training program is based on the training matrix. Workers who are at the skill level of 0 cannot perform the work and is untrained. Training is done through on job training, once the worker has increased in skill level or competency, the site management will re-evaluate their skills in the training matrix.	Employees	Chemical & pesticide training	24/07/2019
Employees	Chemical & pesticide training	24/07/2019		
Comment on Principle 5	<u>Environmental management Plan –</u> An environmental policy Statement was signed by Dato Chris Chung Soon Nam (Executive Chairman), Dated July 2019. Environmental Policy mentioned: Based on interviewed with workers (TKI) (Isa Kanto, Rohani and Mirawati) all of them aware regarding the said policy. Grand Olie Sdn Bhd (GO), is committed as far as practicable to protect its environment. In fulfilling this commitment, the management will: ✓ Meet all environmental rules and regulations in the plam oil industry and to protect our environment through sound management practices and decisions. ✓ Prevent pollution by striving to minimize waste generation and resource consumption. ✓ No deforestation of high conservation value (HCV) lands or high carbon stock (HCS) areas. ✓ Establish and evaluate achievable environmental performance goals to ensure continual improvement of its Environmental Management System. EIA approval reference No.: (14)NREB/6-1/2H/125, date of approval 1st November 2011 with the title of the project “The Proposed Destinasi Agresif Oil palm Plantation on Lot 66, Block 0, BOK Land District, Miri Division, Sarawak. From the history the Project Proponent change the name to Grand Olie Sdn Bhd, which can refer Borang 13, Akta Syarikat 1965 with No.Syarikat No.: 797169 M, which sign by SIVAMALAR A/P PRAMEN SIVASAMY dated 29.08.2011. It was observed the EIA approval was made available in the estate. In EIA approval stated EMR shall be submit quarterly basis (3 months basis). Based on the file Environmental Monitoring Report (EMR) for Plantation it was observed the monitoring report was available every quarter. It was observed the latest Environmental Management Report (EMR) was made			

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available during audit conduct. The latest EMR sighted for 3rd Quarter 2019 (July to September 2019). With reference Number : NREB/6-1/2H/125.

Based on environmental consultant comment, it was observed that most of the environmental components were well maintained and in compliance to the NREB requirements.

Based on interview with both list below, they was aware regarding the policy.

Mr Lim Geok Hua (Store Manager).

Gabriella anak Michael (Environmental Officer)

Environmental improvement plan can be refered to the Environmental Management Plan - Continuous Improvement Plans as follows.

Observation

1) Implementation of 3R practices and facilities.

- ✓ It was sighted the 3 types of rubbish bin at estate 1, 3 & 4 with different colour. Difference colour stand for different material Blue (Paper), Brown (Glass) and Orange (Plastic and aluminum). However, M-oil containers was found in Recycle Bin at Southern Office.

Observation N°5 of 5 under 4.5.1.3

2) Practice triple rinse

- ✓ It was sighted facilities for triple rinsing was allocated at 2 areas (Southern and Northern offices).

3) New Dumping site with proper signage.

It was sighted the location of dumping site was allocated in the GO MAP (Bakong Oil Palm Plantation) at Bukit Mujau. It was cover for all estates.

Efficiency of energy use and use of renewal energy –

It was observed the record of diesel usage was made available in the estate record. It can verified in Fuel Log Sheet for Grand OLie Sdn Bhd, Bakong Palm Plantation. Records of diesel divided into two area:

Southern office

	2017	2018	2019*
Actual (L)	Nil	150,720	245,530
Budget (L)	218,806	312,580	316,180
As Sept*			

Comparison between actual and budget usage of diesel in year 2018 due to Late delivery of heavy machineries delivery to the site (3 excavators and 2 FFB Trucks) (2018) and also, high rainfall during 2018.

Northern office

	2017	2018	2019*
Actual (L)	243,578	271,093	260,865
Budget (L)	188,376	269,109	298,850
*as Sept			

2017 & 2018 – The usage of diesel more than budget due to increasing of deliver of FFB to the collection Centre and mill.

	Estate 1, 2 and 2B (4 units each 100kva, 4.00 am – 6.15 am, 3.00 pm – 11.00 pm), 30 KVa (8.00 am to 3.00pm, 15KVA and 10 KVA, 4.00 am – 6.00 am & 5.00 pm – 10.00 pm) Estate 3 & 4 (2 genset, 30 (4.00 am – 6.00 am & 15 KVA 6.00 am – 5.00 pm), Estate 5 (1 unit, 15 Kva) – Start from 4.00 am – 6 am. Continue 6.00pm – 10.00 pm Workshop (1 unit, 150 KVA - used) <u>Waste management and disposal –</u> All waste generated in the oil palm plantation are categorize under HIRARC and EAEI with document control number: GO-3-SH01/ F01 dated 28th September 2019 as below; • Soil Erosion and Sedimentation; • Water Quality Degradation; • Wastes Generation; • Noise Pollution; • Air Quality; • Occupational Safety and Health Aspects; • Socio-Economic Impacts; • Management of Agrochemical Aspects During site visit it was observed the buffer zone for the river was well maintained. A waste management plan to avoid or reduce pollution was develop in Principle 5. Vol 1. ✓ Scheduled waste Implementation scheduled waste record was sighted at Scheduled Waste Store. Example sighted scheduled waste card record of SW410. Filling date 1.04.2019 with 3 pieces. ✓ Domestic Waste Dumping site for domestic waste was sighted within the estate. Based on site visit, it was properly managed which far from housing, water flow and located at mineral soil. During site visit it was observed the buffer zone for the river was well maintained. It was observed the estate management conduct triple rinse procedure and stored the empty container accordingly at the designated area. It was collected by the G-Planter. Example as record of Used Plastic Pesticide Container Recycling (UPPCR) Program dated 19.08.2019 with quantity 1,810 pcs. Handling of empty pesticide containers was found lacking. During site visit at chemical store (Southern and Northern office), it was observed that the empty chemical containers was not properly handle. As evidence, empty pesticide containers used by chickens and triple rinse was not done accordingly at both site office stores. Minor NC N°5 of 8 raised under indicator 4.5.3.4 <u>Reduction of pollution and emission –</u>
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	Assessment of all polluting activities was conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. Some of evidence conducted as follows: 1. Scheduled wastes, it was observed the storage area for scheduled was covered with bunded to ensure no spillage to the environment. 2. Solid wastes, it was observed the designated area for dumping site was available at Bukit Mujau. 3. Effluent, it was sighted the septic tank was provided at labour quarters, as evidence at LQ1 (TKI) and Staff Quarters (SQ) It was sighted the action plan to reduce pollutants and emissions was established. It was incorporated in HIRARC. However, the implementation of the action plan to reduce pollutants was found lacking. Evidence sighted as follows: ✓ Oil spillage was seen at Northern Office at genset area, labour quarters at Block D7 and workshop area. Minor NC N°6 of 8 raised under 4.5.4.2 <u>Natural water resources –</u> It was observed the water management plan was available. The applicable document sighted as follows regarding water usage: ✓ Record of water management map location (ex: location of water gate, water flow direction) ✓ Desilting of drain (Boundary, field and collection drain) It can be verified in the Water Management Plan report Reference No. WMP/VPKSB/001 dated 22/01/2019. Implementation of ways to optimize water and nutrient usage to reduce wastage was found lacking. It was observed, water tank at emergency shower (southern office) and at back of labour quarters tank was found leakage, which lead to water wastage. Minor NC N°7 of 8 raised under 4.5.5.1 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at Sg. Terus was well maintain. By that to warned the workers regarding the sensitive area signages was allocated at appropriate area, example at Bukit Kedangan catchment area and Sg. Terus within the estate. There was no riparian area was removed at this moment. By that there was no action plan and time-bound plan applicable.
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	<u>Status of rare threatened or endangered species and high biodiversity value area –</u> The information regarding the flora and fauna component was gathered in EIA report which approved on 1st November 2011, reference No.: (14)NREB/6-1/2H/125, with the title of the project “The Proposed Destinasi Agresif Oil palm Plantation on Lot 66, Block 0, BOK Land District, Miri Division, Sarawak. Example as follows; Flora The project area is peat swamp where four sub-types of peat swamp forests or phasic communities (PC) described by Anderson (1961) were present. The extent of these PC is summarized as follows: ✓ Hill Forest ✓ Mixed Swamp Forest ✓ Alan Bunga Forest (PC3) ✓ Padang Alan Forest (PC4) ✓ Padang Paya/ Padang Keruntum Forrest (PC6) Fauna Mammals ✓ Fruit bats and squirrel Amphibians and Reptiles ✓ Amphibians – Frogs and toads ✓ Reptiles – turtles and torties, geckos, lizards Birds ✓ Swiftlets, kingfishers, kites and woodpeckers Freshwater Fishes and Crustaceans ✓ Catfish, ikan tapah, marble goby and snakeheads. Invertebrates Dragonflies, ants, grasshoppers, butterflies, fruit flies and cicadas. <u>Zero burning practices -</u> The estate management not practice use of fire for waste disposal or land preparation for palm cultivation. By that, dumping was allocated at designated area at Block B17/18 (Bukit Mujau) for waste disposal. If open burning necessary, the estate management have the procedure on it, name of the SOP is Open Burning, with control No.: GO-L3-EN04, rev 0 issue date 2nd May 2018.
Comment on Principle 6	<u>Implementation of standard best practices/ Site management –</u> As reported in 4.6.1.1, GO has established the Good Agricultural Practices for Oil Palm . Control No: GO-L4-ES01 rev 0 for operations in the estates such as : 1. Water 2. Area 3. Pesticide 4. Pre-Harvest Quality Management 5. Harvest and Post Harvest Handling 6. Transportation 7. Personal

8. Record

They have copies of :

- 1) Field Handbook Oil Palm Series _ Mature Vol 3 by Ian Rankine and thomas Fairhurst that shows the topics relevant to the operation.
- 2) Oil Cultivation and management P.D Turner & Gilbanks
- 3) Development of Oil Palm on Peat – United Plantations Bhd Experience (2004) . Dr Gurmit Singh

However , specific procedures for Weeding , rat Baiting etc were not available as they rely on their budget ,supplier recommendation as well as their manager's experience in deciding the dosage and application intensity .

The consultant / agronomist only gave the chemical e.g Glyphosate + metsulfuron however the dosage were not provided for the different situation.

Based on the budget the dosage was estimated :glyphosate 1.6 lit / ha + Ally : 30 g / ha for 160 lit / ha spray volume whereas the supplier recommendation was based on 450 l / ha

During spray operation visit , Estate 5 reported the herbicide mixture of Ansar 180 ml + Ally 3 g + Protect 2 ml which translate to a pure mixture of Ansar 20 lit+ Ally 333g .

According to Estate Management , the spray volume of the LSA4 nozzle was 480 lit / ha

However upon interview the pre-mixer dosage reported was Ansar 20 lit + Ally 1 bottle (500g)

In addition , upon checking at the store ,the empty Ally bottle was not sighted.

Also SOP for Road maintenance has not been established as auditor noted some inner road in Northern Office were require attention.

Minor NC N°8 of 8 – 4.6.1.1 raised.

Economic and financial viability plan –

As reported in 4.6.2.1, estate submits their Monthly Progress Report that include information on :

- 1) Manuring
- 2) Weeding
- 3) PnD
- 4) Pruning
- 5) Phreomone trap beetle count
- 6) Area Statement
- 7) Census – RB, Temrite, Rat, Caterpillar, Wild Boar
- 8) Wastergate Report
- 9) Water level
- 10) Rainfall & raindays
- 11) MPOB monthly submission (EL) ETA

	12) MPOB FFB penjualan Buah Kelapa Sawit 13) Daily FFB transportation 14) Daily Harvester 15) Block Yield performance 16) Crop Summary 2 . The Estate has the 10 Year Cash flow Projection Budget for 2018 – 2027 was available to document the business or management plan to demonstrate attention to economic and financial viability It includes: 1) Cultivated Area 2) Yielding Area 3) yPH 4) total FFB 5) Price / MT 6) Ttoal Sales Less cultivating expenses such as 7) Manuring 8) Weeding 9) P& D 10) Road & Bridges 11) Field Upkeep 12) Harvesting & Collection 13) GC 14) HQ Admin 15) Depreciation 16) Amortisation Total Cultivation Cost 17) Profit / loss before Tax Based on record profitability will occur during 2020 Transparent and fair pricing dealing – As reported in 4.6.3.1, The pricing mechanism between GOSB and the oil mills and collecting centre was presented in the : 1. FFB Price Comparison 2. Individual recipient price for FFB delivery e.g ;Price for FFB delivered to Tinbarap POM (Sarawak Oil Palm Bhd) that will have a different OER and KER based on the FFB Grade <table><tr><td>Grade</td><td>A</td><td>B</td><td>C</td></tr><tr><td>OER</td><td>19.75</td><td>18.00</td><td>17.00</td></tr><tr><td>KER</td><td>4.00</td><td>3.50</td><td>3.25</td></tr></table> 3. Summarise 2019 Monthly FFB Selling Price 4. FFB Buyers' Offer comparison It is based on MPOB Pricing for the month e.g September T he formula / pricing mechanism was presented . the month of September 2019 e.g MPOB end Sept Price	Grade	A	B	C	OER	19.75	18.00	17.00	KER	4.00	3.50	3.25
Grade	A	B	C										
OER	19.75	18.00	17.00										
KER	4.00	3.50	3.25										

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	1) CPO (RM/ MT) : 2,099.00 2) PK Price (RM/MT) : 1,162.00 3) CPKO (RM/ MT) : 2,349.50 GOSB will deduct : 1) CIF (RM/MT) : 80.00 2) SST (RM/ mT) : 99.95 3) Processign Cost (RM/MT) : 55.00 GOSB will add the subsidy : 1) Transport Rm15 2) sometimes Volume incentive e.g from SOPB Then based on the Grade of the FFB , the price RM/ MT can be calculated e.g for SOPB Grade A FFB the FFB price is RM362.39 The 2019 Monthly FFB Selling Price will the monthly pricing for each Grade for each FFB buyer <u>Subcontractor –</u> Sighted the contract between the estate and contractor working at the site (GO/Legal/BR/Infra-E3/2019(01) dated 4/07/2019 for the soil topping for collection roads at estate 3. Contractors are provided with terms and conditions regarding the requirements of MSPO. These terms include, for example: 1. Compliance to legal requirements 2. Social responsibility 3. Employee safety and health 4. Employment conditions 5. Environmental management 6. Natural water resources This is documented in the contract and agreed between the contractor's representative on 16/07/2019. Site visit was performed on the ongoing works of a contractor who was performing soil topping for collection roads at estate 3. Inspection of the contractor's area including: 1. Worker housing 2. Worker cooking facility 3. Chemical storage area 4. Toilet The estate management performs inspections of the contractor's work using an inspection certificate (GOSB/IF/A01). Sighted the inspection certificate for one of the contractors performing work at the following areas: 1. K42/43 2. Field Road J42/43 (Estate 3) The control points applicable for the contractor are based on the agreements of the contract. The inspection is performed by a representative from the contractor and from the estate. Sighted the
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acknowledgement for the inspection by contractor representative and estate representative dated 13/08/2019.

7. Nonconformities

MS2530-3:2013 Part 3

NonConformity	N° 1 of 8	☐ Major	☒ Minor
Department / Function:	Safety Department	Standard Ref.: Indicator	4.4.4.2
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Open
Normative Reference and Requirement	The occupational safety and health plan shall cover the following: (a) to (j)		
Details of Nonconformity	The occupational safety and health plan did not adequately cover the following: (a) to (j)		
Evidence	During site visit, workers were sighted with the PPE provided. However, it was sighted that some PPE used by the workers were damaged. Example include N95 worn by Manurer & Sprayer. Sighted the CHRA HQ/14/ASS/00/341-2019/024 performed by registered assessor HQ/14/ASS/00/341 dated 19/08/2019. However, it was found that not all chemicals on site was assessed, for example, Scheduled Waste generated on site, there was some SW generated by the site, however in the CHRA there was only SW305 assessed. During field visit, it was sighted that 3 out of 10 employees performing packaging of fertilizers at Estate 1 was eating while performing packaging of fertilizers. Medical Surveillance performed on 07/10/2019 were sighted. However, there was no medical surveillance done for spray operators from site. The OSH committee met on 22/01/2019, 13/06/2019 and 15/08/2019. The site did not conduct regular OSH committee meeting as required by OSH (SHC) Reg 1996 Reg 21(1) where "...shall not meet less than once in three months".		
Close-out evidence:	Grand Olie Sdn Bhd has submitted the corrective actions and evidence on 26/11/19 which are deemed to be satisfactory and they will be followed up /reviewed again during the next scheduled visit/ surveillance for its closure		

NonConformity	N° 2 of 8	☒ Major	☐ Minor
Department / Function:	HR Department	Standard Ref.: Indicator	4.4.5.3
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Closed
Normative Reference and Requirement	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.		
Details of Nonconformity	Management did not ensure that employees' pay and conditions meet legal or industry minimum standards		
Evidence	Review of records of Worker A shows that the attendance for Aug 2019 is 26 days and only received RM859.23 which is not the minimum wage. This is not in accordance with Minimum Wage Order (Amendment) 2018, order 4, In relation to an employee who is not paid basic wages but is paid wages only on piece rate, tonnage, task, trip or commission, the rate of monthly wages to the employee shall not be less than RM1100.00. During interview with 3 Sprayer understood that they sometimes perform OT on weekends, and they are paid by piece rate. However, the payment of piece rate was not at the OT rate of pay. Interview with management confirmed that there is no premium payment for the piece rated work on OT or weekend OT. This is against s105C(5) of the Sarawak Labour Ordinance where "An employee employed on piece rates who works on a rest day shall be paid twice his ordinary rate per piece".		
Close-out evidence:	Grand Olie Sdn Bhd has submitted the corrective actions and evidence on 26/11/19 for its closure as summarised below: The Estate found out that even though the said worker worked for 26 days, but she is not be able to complete all tasks that she was assigned to her on that particular month (Aug) . Based on analysis , Work Plan Vs Actual', its shows that the said worker not be able to cope with the job assigned especially on WD1, WD3 and WD4. Thus, it affected her wages. Root cause of the above issue : insufficient skill for the said worker. Corrective action : Proper guidance from the Mandor is essential in preventing the similar problem from recurring. Sufficient guidance from Mandor evidenced based on pay slip for the month of September 2019 amounting RM1,337.87 and October 2019 amounting RM1,301.21. In addition , GO-L3-HR01 (Employment) has been revised to includes Overtime Rate to meet the requirements of Labour Ordinance.		

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	Upon reviewing the evidence submitted the auditor, DT , has accepted it as its closure. Major NC N° 2 closed
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NonConformity	N° 3 of 8	☐ Major	☒ Minor
Department / Function:	HR Department	Standard Ref.: Indicator	4.4.5.5
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Open
Normative Reference and Requirement	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.		
Details of Nonconformity	Employees were found to be provided with unfair contracts		
Evidence	Sampled the contract for a worker in Estate 5. The contract is available in Bahasa Malaysia. The contract is signed/acknowledged by estate manager, 2 witnesses and the worker. <i>However, there is a clause on the keeping of passport by the management, as quoted below:</i> <i>"1.3.2(i) Semua passport pekerja yang berkhidmat di ladang Grand Olie Sdn Bhd akan disimpan di Pejabat Ladang Grand Olie Sdn Bhd oleh Pengurus atau Pegawai Ladang yang dipertanggungjawabkan bagi mengelakkan sebarang kemungkinan rosak atau hilang..."</i> <i>This clause is unfair and is against section 12(1)(f) of the Passports Act 1966 where any person who without lawful authority, has in his possession any passport or internal travel document issued for the use of some person other than himself shall be guilty of an offence.</i>		
Close-out evidence:	Grand Olie Sdn Bhd has submitted the corrective actions and evidence on 26/11/19 which are deemed to be satisfactory and they will be followed up /reviewed again during the next scheduled visit/ surveillance for its closure		

NonConformity	N° 4 of 8	☐ Major	☒ Minor
Department / Function:	HR Department	Standard Ref.: Indicator	4.4.5.11
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Open

Normative Reference and Requirement	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.
Details of Nonconformity	The housing and amenities on site were not adequate.
Evidence	Site visit to LQ 13 Room 4 was performed. Sighted the first aid kit and fire extinguisher (valid until 02/08/2020). Emergency evacuation plan, and emergency contact number. Toilets were found to be available and clean. There was cooking facilities at the housing area. However, there are missing internal window panels at one of the room windows in LQ13 Room 4. Site visit to LQ 13 Room 2 was performed. The room serves as a babysitting area for 2 children. However, there is inadequate ventilation and control of temperature for the room (too hot).
Close-out evidence:	Grand Olie Sdn Bhd has submitted the corrective actions and evidence on 26/11/19 which are deemed to be satisfactory and they will be followed up /reviewed again during the next scheduled visit/ surveillance for its closure

NonConformity	N° 5 of 8	☐ Major	☒ Minor
Department / Function:		Standard Ref.: Indicator	4.5.3.4
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	open
Normative Reference and Requirement	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way.		
Details of Nonconformity	Handling of empty pesticide containers was found lacking.		
Evidence	During site visit at chemical store (Southern and Northern office), it was observed that the empty chemical containers was not properly handle. As evidence, empty pesticide containers used by chickens and triple rinse was not done at both site office stores.		
Close-out evidence:	Grand Olie Sdn Bhd has submitted the corrective actions and evidence on 26/11/19 which are deemed to be satisfactory and they will be followed up /reviewed again during the next scheduled visit/ surveillance for its closure		

NonConformity	N° 6 of 8	☐ Major	☒ Minor
Department / Function:	Environment	Standard Ref.:	4.5.4.2

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Document Ref.:	MS2530-3:2013	Indicator	
		Issue / Rev. Status:	Open
Normative Reference and Requirement	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.		
Details of Nonconformity	Implementation of action plan to reduce identified significant pollutants and emission was found lacking.		
Evidence	It sighted oil spillage was seen at Northern Office at genset area, labor quarters at Block D7 and workshop area.		
Close-out evidence:	Grand Olie Sdn Bhd has submitted the corrective actions and evidence on 26/11/19 which are deemed to be satisfactory and they will be followed up /reviewed again during the next scheduled visit/ surveillance for its closure		

NonConformity	N° 7 of 8	☐ Major	☒ Minor
Department / Function:	Environment	Standard Ref.: Indicator	4.5.5.1
Document Ref.:	MS2530-3:2013	Issue / Rev. Status:	Open
Normative Reference and Requirement	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).		
Details of Nonconformity	Implementation of water management plan was found lacking		
Evidence	1. Implementation of ways to optimize water and nutrient usage to reduce wastage was found lacking. 2. It was observed, water tank at emergency shower (southern office) and at back of labour quarters tank was found leaking, which will lead to water wastage.		
Close-out evidence:	Grand Olie Sdn Bhd has submitted the corrective actions and evidence on 26/11/19 which are deemed to be satisfactory and they will be followed up /reviewed again during the next scheduled visit/ surveillance for its closure		

NonConformity	N° 8 of 8	☐ Major	☒ Minor
Department / Function:	Estate Management	Standard Ref.: Indicator	4.6.1.1
Document Ref.:	MS2530-3:2013 Part 3	Issue / Rev. Status:	Open

Normative Reference and Requirement	Standard operating procedures shall be appropriately documented and consistently implemented and monitored
Details of Nonconformity	No manual / procedure for field operations
Evidence	GO has established the Good Agricultural Practices for Oil Palm . Control No: GO-L4-ES01 rev 0 for operations in the estates such as : 1. Water 2. Area 3. Pesticide 4. Pre-Harvest Quality Management 5. Harvest and Post Harvest Handling 6. Transportation 7. Personal 8. Record They have copies of : 1) Field Handbook Oil Palm Series _ Mature Vol 3 by Ian Rankine and thomas Fairhurst that shows the topics relevant to the operation. 2) Oil Cultivation and management P.D Turner & Gilbanks 3) Development of Oil Palm on Peat – United Plantations Bhd Experience (2004) . Dr Gurmit Singh However , specific procedures for Weeding , rat Baiting etc were not available as they rely on their budget ,supplier recommendation as well as their manager's experience in deciding the dosage and application intensity . The consultant / agronomist only gave the chemical e.g Glyphosate + metsulfuron however the dosage were not provided for the different situation. Based on the budget the dosage was estimated glyphosate 1.6 lit / ha + Ally: 30 g / ha for 160 lit / ha spray volume whereas the supplier recommendation was based on 450 l / ha During spray operation visit , Estate 5 reported the herbicide mixture of Ansar 180 ml + Ally 3 g + Protect 2 ml which translate to a pure mixture of Ansar 20 lit+ Ally 333g . According to Estate Management, the spray volume of the LSA4 nozzle was 480 lit / ha However upon interview the pre-mixer dosage reported was Ansar 20 lit + Ally 1 bottle (500g) In addition, upon checking at the store ,the empty Ally bottle was not sighted.

	Also SOP for Road maintenance has not been established as auditor noted some inner road in Northern Office were require attention.
Close-out evidence:	Grand Olie Sdn Bhd has submitted the corrective actions and evidence on 26/11/19 which are deemed to be satisfactory and they will be followed up /reviewed again during the next scheduled visit/ surveillance for its closure

OBSERVATIONS : MS2530-3:2013 Part 3

Observations	N° 1 of 5		
Department / Function:	Training	Standard Ref.: Indicator	4.1.4.2
Document Ref.:	MS2530-3:2013 Part 3	Issue / Rev. Status:	
Details	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.		
Details of Observation:	HQ staff attended recent MPOB ToT in Bangi however the information not transferred to the estates.		

Observations	N° 2 of 5		
Department / Function:	Social	Standard Ref.: Indicator	4.2.2.3
Document Ref.:	MS2530-3:2013 Part 3	Issue / Rev. Status:	
Details	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.		
Details of Observation:	However the list was not up to date as collecting Centre UPMills Sdn Bhd was not included in the list.		

Observations	N° 3 of 5		
Department / Function:	Documentation	Standard Ref.: Indicator	4.2.3.1
Document Ref.:	MS2530-3:2013 Part 3	Issue / Rev. Status:	
Details	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).		
Details of Observation:	The procedure was not up-to-date as the SOP FFB : Traceability System Inspection Procedure dated 5 March 2019 .still state delivery to Niah POM when no more deliveries were done.		

Observations	N° 4 of 5		
Department / Function:		Standard Ref.: Indicator	4.4.5.13
Document Ref.:	MS2530-3:2013 Part 3	Issue / Rev. Status:	
Normative Reference and Requirement	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.		
Details of Observation:	The workers are represented through the worker representatives for the SHE committee. The representatives are informed to the workers through notice boards located at various areas in the estate including the Northern Estate Office, Southern Estate office and Labour Quarters LQ12. However, interview with the workers during site visit confirmed that they do not know their worker representatives.		

Observations	N° 5 of 5		
Department / Function:	Estate	Standard Ref.: Indicator	4.5.1.3
Document Ref.:	MS2530-3:2013 Part 3	Issue / Rev. Status:	
Details	Implementation of environmental improvement plan to mitigate the negative impacts and to promote positive one was found lacking.		
Details of Observation:	It was sighted 2 motor cycle oil containers and its used oil was found in the Recycle Bin dedicated for plastic material located at Southern Office.		

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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 90 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 on an action plan and sent by the client to the auditor within 90 days 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:

- Grand Olie Sdn Bhd has put significant effort since the Stage 1 findings to ensure the company is committed towards MSPO certification and its objectives of sustainability

Important Observations and Opportunities for Improvements:

- Internal road Maintenance
- Minimize using cut-out chemical containers for Harvesting Basket, storage container on tractor, fertilizer scoop, etc
- Ensure proper storage of used chemical container e.g Ally
- Domestic waste disposal e.g Estate 5
- Regular monitoring of water level on peat drains
- Removal of vegetation in the peat drains to avoid clogging
- Ensure proper disposal of plastic bags as it is widely used as fertilizer packs during fertilizer application
- Ensure proper water management to improve poor areas e.g in Estate 5
- Workers are bringing back home their Apron used in spray operation for drying and storing

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- Look into poor 'productivity ' issue
- Better ventilation and cooling condition in Southern Office
- Provide water tank for spray operation instead of workers retrieving water from the drains

Appendix 1: Multi –Site Address List

Site name / Address	Audit Dates	Activities at this site
Estate 1	15/10/19	New site , Scheduled Waste, Lubricant , Fertiliser and Chemical store. Interview contractor . check on housing of contractor and its maintenance. Water catchment area ,
Estate 5	16/10/19	Site visit : Interview manuring , Harvesting and Spraying gang, Poor Yielding area, Housing – Kitchen , Toilet , Living area, PPE storage , Workshop Line site, riparian area, harvesting, Waste and Strage Management , Triple irnse container, Peat area water and water level Management

Appendix 2: List of Stakeholders Contacted

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Contractor Director Soo Kah Heng , Fong Sing Enterprise	External	No issues. Payment timely manner.	-
Workshop Manager	Internal	No issues .	
Harvesters (male)	Internal	Pay more than minimum , PPE provided	-
Spray operators and Manurers (female)	Internal	PPE provided , Housing OK , no major issues	-

Appendix 3: Audit Planning Matrix

Area / Department / Process / Function	ASPECTS, RISKS, OBJECTIVES,	Principles	Visits:	MA	ASA01	ASA02	ASA03		
			Dates:	25-28/3/19					
			Auditor(s):	James S H Ong, Daryl Tan , Abdul Khalik					
	MS2530-3:2013: Part 3			MA 15- 17/10/19 Est 1 & 5	ASA01	ASA02	ASA03		
		Principle 1: Management commitment and responsibility		Obs01 4.1.4.1					
		Principle 2: Transparency		Obs 2 4.2.2.3 Obs 3 4.2.3.1					
		Principle 3: Compliance to legal requirements		-					
		Principle 4: Social responsibility, health, safety and employment condition		m01 4.4.4.2 M02 4.4.5.3 m03 4.4.5.5 m04 4.4.5.11					

		Principle 5: Environment, natural resources, biodiversity and ecosystem services	Obs 5 4.5.1.3 m05 4.5.3.4 m06 4.5.4.2 m07 4.5.5.1					
		Principle 6: Best practices	m08 4.6.1.1					
		Principle 7: Development of New Plantings	n.a			-		



Appendix 4: Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings

SGS (Malaysia) Sdn Bhd and client acknowledge and confirms acceptance of the Report contents and including the assessment findings. SGS (Malaysia) Sdn Bhd and client accept the responsibility for addressing the opportunities of improvement detailed in this report.

Signed on behalf of Grand Olie Sdn Bhd	Signed on behalf of SGS (Malaysia) Sdn Bhd
 Name : Karen Tan Hua Ling, Position: Manager, Plantation Group Date:	 Name: James S H Ong Position: Lead Auditor Date : 23/12/19

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