

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**

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: 1 Major 1 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.

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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 Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

Organization:	Wawasan Sedar Sdn. Bhd.
Address	<p><u>Headquarters (HQ)</u> 7th Floor Crown Towers, 88 Jalan Pending, 93450 Kuching, Sarawak.</p> <p>Contact person.: Ms Adeline Lau (Director) Mr William Tham (Assistant Manager)</p> <p>Contact No.: 082-345033</p> <p><u>Estate Address</u> Lot 2 Block 5, Rasan Land District Lot 2 Block 8, Rasan Land District Lot 1 Block 6, Lavang Land District Lot 4 Block 5, Rasan Land District</p>

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MPOB License No.:	MPOB Licence 501991802000, with size register 16,901.2 ha	Expiry date:	15/01/2019 – 31/07/2019
Scope of Activity:	<i>Menjual dan Mengalih#</i>	Next Audit Plan	January 2020
Visit Number:	02 (Stage 2)	Actual Visit Date:	20th & 21st 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.		

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Audit Plan

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

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Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
21 st March 2019 (Day 2)	7.00am	AKA & JDR	Depart to Wawasan Sedar Estate	Estate Personnel
	9.30 am	AKA & JDR	Arrive at Estate Audit Process (Document Review) <ul style="list-style-type: none"> • Principal 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principal 4: Social responsibility, health, safety and employment condition • Principal 5: Environment, natural resources, biodiversity and ecosystem services • Principal 6: Best Practice • Principal 7: New Development of New Planting 	Estate Personnel
	12.30pm		Lunch	
	1.00pm		Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	3.00 pm		Preparation for closing	
	4.00 pm		Closing Meeting	
	5.00 pm		End of Audit	
	6.00 pm		Depart to Bintulu Airport	

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Location and Maps

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

Table 1: GPS Location

Supply Base / Estates:	Location Address:	GPS Coordinate(s):	Area Certified(HA):
Wawasan Sedar Sdn. Bhd. Estate	Lot 2 Block 5, Rasan Land District	3°19'16.4" N 113°37'22.1" E	16,901.20
	Lot 2 Block 8, Rasan Land District		
	Lot 1 Block 6, Lavang Land District		
	Lot 4 Block 5, Rasan Land District		

Description of Estate Production

The FFB are sourced from the estate which are individually managed by Wawasan Sedar Sdn. Bhd. The crop yield from these estate is mention in **Table 2** below.

Table 2: FFB Production

Month	Wawasan Sedar Sdn. Bhd.	
	2018 (Actual)	2019 (Projection)
January	16,075.82	17,664.00
February	11,889.84	15,921.60
March	12,865.44	16,809.60
April	14,062.03	15,134.40
May	15,333.84	15,134.40
June	14,278.66	13,584.00
July	17,416.75	17,611.20
August	18,097.25	18,720.00
September	18,943.63	17,980.80
October	18,988.75	21,000.00

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November	18,185.57	20,438.40
December	17,676.72	19,857.60
Total	193,814.30	210,240.00

Stakeholder Consultation and List of Stakeholders Contacted

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

<https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/-/media/1cc854fca48f4768a6819f6636594bfe.ashx>

Stakeholder consultation took place in the form of meetings and interviews. Due to this is the main assessment, meetings with stakeholders were held in the respected estate office. Detail can be referred to **Appendix 2:**

Comment on MS2530-3 Compliance Status:

Comment on Principle 1	<p><u>Policy on Implementation of MSPO –</u> The MSPO Policy for the Wawasan Sedar Sdn Bhd group of estates was sighted dated 3rd September 2018 and signed by Ms Adeline Lau, Director. The policy contain commitment on MSPO requirement and also mention on continual improvement. The policy consists of</p> <ul style="list-style-type: none"> - Safety and Health - Good Social Practices - Harassment and Violence Prevention - Environment <p>The policy was displayed at office, workshop, storage area and workers camp notice boards. It also communicates during morning muster with the workers.</p> <p><u>Internal Audit –</u> Internal audit for Wawasan Sedar Sdn Bhd was conducted on 3rd - 4th January 2019 (Refer to Doc Control No. WSSB/E1/01/19). From estate internal audit, 17 findings were raised from Principle 4 and 5. The internal audit report was signed by Mr Law Lee Thian as Lead Auditor. Among issues raised in the internal audit.</p> <p><u>Findings:</u> 1. No labelling for domestic waste and scheduled waste bin was sighted at the workshop. 2. No safety signage provided at the FFB Ramp F, block 11, Division 2.</p>
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	<p>3. There was an open burning mark at the FFB Ramp F, block 11, Division 2.</p> <p>4. Engine oil leakage from the crank case of motor grader was seen in front of store.</p> <p>5. Suggestion box not provided at the office.</p> <p>6. Ground contamination and oil residue found at workshop and culvert area.</p> <p><u>Management Review –</u> The management review was conducted on 5th January 2019 (Ref : WSSB/MRR/19/01/01) and among others discussed on the internal audit report under agenda 4 where the findings were raised as per the 3 estates and issues closed.</p> <p>The action taken on the findings have to be referred back to the Corrective Action Request (CAR) where root cause, corrective action taken and evidence in form of pictures are shown. Also the date for closing of the issue in the CAR.</p> <p><u>Continual Improvement -</u> The continuous improvement plan (CIP) for social aspects are shown in the form of :</p> <ol style="list-style-type: none"> 1) Educational Aids to students from the neighbouring areas. 2) Corporate Social Responsibilities (CSR). <p>Example:</p> <ol style="list-style-type: none"> a) Presentation of Educational Aids to students from Rasan Area showing date of payment 12 January 2016 to Rh Ambak where 61 recipients with total amount disbursed RM 26,800.00. b) Pictorial evidence on presentation of scholarship 2017 on 22nd May 2018 at Rumah Ambak Anak Usah. c) Pictorial evidence on CSR programme such as Christmas gift to Rh Sambang on 21st December 2018. d) CSR records showing Social welfare 2012 (Jelalong area), date of payment on 28th May 2012 for RM 25,000.00; Christmas 2017 (Takis, Rasan & Lavang area), date of payment in January 2018 for the amount RM11,000.00.
<p>Comment on Principle 2</p>	<p><u>Transparency of information and documents relevant to MSPO requirements –</u> The Complaint and Grievance Procedure is available. Refer to Doc Ref WSSB-03-SR02/REV0 dated 11th September 2018. The flowchart for Complaints and Grievances Procedure is available with timeline for issues to be resolved. The grievance and complaints box & forms are available at the estate office.</p> <p>Complaint forms received in the box are recorded and action taken on them. Some of the complaints received below: (1) Form No: 003/2018 dated 23/11/2018 Name of complainant: Moh. Iksan Description: Need place to service motorcycle a the labourline WSE1. Action taken: Mr Junior Juan to take appropriate action. Closed by</p>

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	<p>Social Liaison Officer, Mr Law Lee Thian. Pictures showed before and after action taken.</p> <p>(2) Form No: 001/2018 dated 20/12/2018 Name of complainant: Ranggau Ak Chundi Description: Rubbish bin broken and leaking. Action taken: To replace old bins with new one which are more lasting. Closed by Social Liaison Officer, Mr Law Lee Thian. Pictures showed before and after action taken.</p> <p>(3) For Estate 4, Complaint form dated 17/01/2019 Name of complainant: Zumaidin Description: Water tank stand need to be repaired. Action taken: To arrange carpenter to replace wooden structure of water tank stand. Closed by Social Liaison Officer, Mr Law Lee Thian. Pictures showed before and after action taken.</p> <p>All of these are kept in the DO1 Complaints, Grievances and Appraisals.</p> <p><u>Transparent method of communication and consultation-</u> The Communication procedure are in 2 forms: (1) Local sustainable development (Doc Ref WSSB-03-SR03/REV0) dated 11/9/2018 and (2) Transparent method (Doc Ref WSSB-03-TM03REV0) dated 10/9/2018.</p> <p>The stakeholders meeting was held on 27th November 2018. The minutes of meeting was prepared by Mr Clement Bong and confirmed by Mr Law Lee Thian.</p> <p>The personnel appointed as Social Liaison Officer is Mr Law Lee Thian assisted by Mr Bremadharan @ Stanley and Mr Ting Siu Ping for all 3 estates.</p> <p>Appointment letter signed by Director, Ms Adeline Lau dated 10th September 2018 as per Manual Doc Ref WSSB-01-TM04REV0. as per Manual Doc Ref WSSB-01-TM04REV0.</p> <p><u>Traceability -</u> Procedure for Traceability had been established dated 10th Seotember 2018 Ref No. WSSB-03-TM04REV0. A first revision dated 14th January 2019.</p> <p>The flow chart for traceability is attached.</p> <p>The person in charge of Traceability is Mr Tham Chee Kiong assisted by Mr Risman and Mr Jutilis. Appointment letter signed by Director, Ms Adeline Lau dated 10th September 2018 as per Manual Doc Ref WSSB-01-TM04REV0.</p> <p>During audit, evidence to show that the procedure has been follow accordingly :</p> <p>(1) Direct from field to mill. Driver Bunch Chit No. 371209 dated 11/10/18. FFB bunches = 405, LF = 2 Tractor Delivery Note No. 338994 dated 12/10/18 FFB bunches = 405, LF = 2</p>
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	<p>Wawasan Sedar Sdn Bhd Palm Oil Mill Weighbridge Ticket No. 656395 dated 11/10/18 Transporter: Own Vehicle No: 736 Nett weight : 6640 Kg</p> <p>(2) <u>Driver Bunch Chit</u> No. 370724 dated 13/10/18. FFB bunches = 160, LF = 68 <u>FFB Delivery Note</u> No. 133074 dated 13/12/2018. FFB bunches = 160, LF = 68 <u>Tractor Delivery Note</u> No. 338994 dated 12/10/18 FFB bunches = 160, LF = 68 <u>Wawasan Sedar Sdn Bhd Palm Oil Mill</u> Weighbridge Ticket No. 244755 dated 13/10/18 Transporter: Wawasan Transport Vehicle No: 741 Nett weight : 4490 Kg</p> <p>(3) <u>Driver Bunch Chit</u> No. 386192 dated 14/3/19. FFB bunches = 74, LF = 3 <u>FFB Delivery Note</u> No. 138876 dated 14/3/2019. TDN 353132 FFB bunches = 74, LF = 3 Total FFB bunches = 1221, LF = 32 <u>Tractor Delivery Note</u> No. 353132 dated 14/3/19 FFB bunches = 74, LF = 3 <u>Wawasan Sedar Sdn Bhd Palm Oil Mill</u> Weighbridge Ticket No. 672388 dated 14/3/19 Transporter: Siong Wang Company Vehicle No: QSS5751 Nett weight : 19590 Kg</p> <p>Record will be kept by Estate Admin Office.</p>									
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements -</u> The estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations. Compliance to Legal requirements for Wawasan Sedar Sdn Bhd can be referred to File Ref No. C0 Legal Requirements. Highlighted here some of the compliance with laws and regulations as follow:</p> <p>i. MPOB Licence No. Licence: 501991802000 Period: 15/01/2019 till 31/07/2019 Activities: 1) Menjual dan Mengalih FFB Estate hectarage: 16,901.2 Ha</p> <p>ii. Lesen Perniagaan No. A. 637272/152 Validity from 26/09/2018 to 02/10/2019.</p> <p>iii. Land Title Lavang Land District(LLD), Rasan Land District (RLD)</p> <table border="1" data-bbox="531 1877 1206 2002"> <thead> <tr> <th>No.</th> <th>Lot No.</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>LLD Lot 1 Blk 6</td> <td>3,192</td> </tr> <tr> <td>2</td> <td>RLD Lot 4</td> <td>110.20</td> </tr> </tbody> </table>	No.	Lot No.	Ha	1	LLD Lot 1 Blk 6	3,192	2	RLD Lot 4	110.20
No.	Lot No.	Ha								
1	LLD Lot 1 Blk 6	3,192								
2	RLD Lot 4	110.20								

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		Blk 5	
3	RLD Lot 2	Blk 8	4,638
4	RLD Lot2	Blk 5	8,961
Total			16,901.20
<p>Iv. Permit Barang Kawalan Berjadual No. Rujukan BTU. P. 13/2008(D) for Diesel - 30,000 Litres. Validity till 28/01/2020.</p> <p>V. Storage of Petroleum Licence under BDA No. Lesen LB2600SPL2018000036 Validity till 31/12/2019</p> <p>Minor 1 (4.3.1.3) An Amendment on Minimum Wage/New rates effective 1st January 2019 was not updated in the legal register.</p> <p><u>Land Use Rights –</u> Wawasan Sedar Sdn Bhd estates are under the Land Titles as in 4.3.1.1. There is no issue on legal acquisition of land title.</p> <p><u>Customary Rights -</u> Not Applicable</p>			
Comment on Principle 4	<p><u>Social Impact Assessment (SIA) –</u></p> <p>It was observed the Social Impact Assessment (SIA) report was available during the document assessment. It was conducted on year 2019.</p> <p>The SIA report was carried out by the estate management itself to comply with the principle 4 (Social responsibility, health, safety and health employment condition) to the Malaysian Sustainable Palm Oil (MSPO). Wherein, SIA is defined as the process of analysing, monitoring and managing the intended unintended social consequences, both positive and negative of planned interventions and any social change process invoked by the interventions mentioned above. Social impacts from the project development were identified and actions plans are implemented to mitigate the negative impacts and to promote the positive.</p> <p>Observation (4.4.1.1) Based on the SIA report, the list of stakeholders did not include all the stakeholders.</p> <p><u>Complaints and grievances -</u></p> <p>The Grievance and Complaint form was made available at the front of estate office. SOP for complaints and grievances procedure was made available in the estate, DO1 Complaints and Appraisal File.</p> <p>Records of complaints and appraisal It was sighted 4 complaints was made by the complainer for this year 2018 and 1 complaint for year 2019 for currently. All the issues raised by the</p>		

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	<p>complainer was closed within the time.</p> <p><u>Commitment to contribute to local sustainable development -</u></p> <p>Record of the CSR with the local communities was file in D03 Corporate Social Responsibility (CSR). Part of evidence of CSR list as below:</p> <p>Scholarship</p> <ul style="list-style-type: none"> a. Lenny Anak Mangai – RM1,000.00 b. Jos Anak Ambak – RM1,000.00 c. Wilfred Beran Anak Joseph – RM1,000.00 <p>Festival</p> <ul style="list-style-type: none"> a. Gawai Dayak <p><u>Employees safety and health</u></p> <p>Safety policy (Occupational Safety & Health) was available in the estate office and display, which is sign by Mdm Adeline Lau Kor See (Director), dated 13th July 2017.</p> <p>Safety and health policy was documented, communicated via display at the notice board and implemented at this estate. Policy was provided in English and Bahasa Melayu languages. It was observed the safety policy was display at the site office, workshop and chemical store. Besides that, based on interview with sprayer name Mr Hassan (TKI), he was aware regarding the safety and health issue on site.</p> <p><u>Employment Conditions</u></p> <p>The management had established policy on good social practices regarding human rights in respect of industrial harmony. It was incorporated in MSPO Policy. The policy was signed by the top management (Mdm Adeline Lau), she is Director of the company, dated 3rd September 2018 and communicated to the employees by display at the site office, line site and workshop area. Random sampled had been interviewed during the audit commence. Based on interview with worker (Baharuddin Sempo) and staff (Norhayati B. Nordin) working in the plantation. They was aware regarding the human rights within the estate.</p> <p><u>Training and Competency</u></p> <p>Annual training programme on safety and health training program 2019 was made available. Based on the training record, it was observed the Safety Operation was conduct in the estate which focus with workers operation. The training list as below:</p> <ul style="list-style-type: none"> i. Safety and Health Committee Meeting ii. Workplace Inspection iii. First Aid Training iv. Safety Awareness for Harvester v. Safety Awareness for Driver Heavy Machineries
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	<ul style="list-style-type: none"> vi. Training of Chemical Handler vii. Safety and Health Awareness for Manuring viii. Emergency Drill (Fire and Chemical Spill) ix. First Aid Training x. Safety and Health Awareness for Worker at workshop. <p>As evidence, there was several trainings conducted in the estate.</p> <p>Random sampled had been interviewed during the audit commence. Based on interview with worker (Baharuddin Sempo/ harvester) he was aware regarding the safety and health awareness at the workplaces.</p> <p><u>Environmental Management Plan –</u></p> <p>Environmental policy was sighted and display at the site office, workers camp and estate facilities, which commit by Director, Mdm Adeline Lau, sign 10th October 2018. In the environment</p> <ul style="list-style-type: none"> • Meeting applicable environmental rules and regulations in the palm oil industry through proper management practices. • Preventing pollution by striving to minimize waste generations and resource consumptions. • Monitoring and managing environmental components of our daily operations in accordance to environmental rules and regulations of relevant governing body. • Maintain the culture of caring for environment within the workforce. • Conduct biodiversity assessment with continuous monitoring at conservation area to protect wildlife, flora and fauna. <p>It was observed Wawasan Sedar Oil Palm Plantation at Lot 1, Block 6 of Lavang Land District and Lot 1, Block 5 of Rasan Land District, Bintulu Division, Sarawak. The Wawasan Sedar Sdn Bhd obtain Environmental Impact Assessment (EIA) approval from Natural Resources Environmental Board (NREB) dated 13th April 1998 with ref.no.: (19)NREB/6-3/11 which sign by Controller of Environmental Quality Mr James Dawos Mamit.</p> <p>In line with that, the monitoring was conducted to monitor plantation activities on site by provide analyses on pesticides/ weedicides every 6 months in the Environmental Monitoring Report (EMR). The latest report was made available on Fourth Quarter 2018 (4th quarter 2018). Based on the report the estate was comply with mitigating measures required by EIA Approval. The latest report for year 2019, 1st Quarter was still progress, the site visit was done on 19 – 21 February 2019 and the report.</p> <p>It was observed the Training plan for year 2019 related with environment available. The training involved a briefing on no manuring and weeding activities within buffer zone area, dated 14.01.2019, time: 5.30 am, venue Muster Ground E1, attended by 20 attendees.</p>
<p>Comment on Principle 5</p>	<p><u>Efficiency of energy use and use of renewable energy -</u></p> <p>Record and usage of Non-renewable Energy (Diesel Consumption). As we can see at the table below, the consumption of diesel waste increased from 2017 to 2019 due to increasing of operation in the estate.</p>

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	2017	2018	2019
	Litre		
Actual usage	1,238,896	1,262,284	214,643*
Estimated Budget	1,904,970	1,983,203	2,315,682

**latest as February*

Usage of Diesel VS FFB 2018

Lowest FFB 16,004.46 mt, diesel 89,859 L
 Highest FFB 23,681.53 mt, diesel 101,395 L

The electricity for estates was supply from Wawasan Sedar Palm Oil Mill, which generate by Turbine.

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Waste management and disposal -

Based on interview with Plantation Manage, Mr Cristopher James. He managed to identify the sources of pollution in the estate. List of the sources of pollution list as below:

- a. Unloading FFB at Ramp
- b. Transport, (FFB, road maintenance)
- c. Unloading FFB at Mill
- d. Genset
- e. Creche
- f. Genset
- g. Workshop
- h. Water Treatment Plant
- i. Chemical Store
- j. Fertilizer store
- k. Lubricant Oil Store
- l. Scheduled waste store
- m. Canteen
- n. Clinic
- o. Diesel Tank
- p. Culvert Factory
- q. Dumping Site
- r. Harvesting/ Pruning
- s. Spraying
- t. Manuring
- u. Building Upkeep
- v. Labour line

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	<p>The triple SOP was available and apply for empty containers and store properly and to be disposed by registered collector.</p> <p>Major 2 However, the implementation was found lacking. Based on site visit at Labour line LL1 it was sighted, empty containers was seen at backside of labour line, which is not properly disposed.</p> <p><u>Reduction of pollution and emission –</u></p> <p>It was observed the assessment of all polluting activities was available in continuous improvement on pollution prevention and environment plan.</p> <p><u>Natural water resources –</u></p> <p>It was observed there was water management plan was available in the both estates. The document ref. No: GM2-03-EN06REV0. Currently Environmental Monitoring Report for estate was available.</p> <p>It was observed Wawasan Sedar Oil Palm Plantation at Lot 1, Block 6 of Lavang Land District and Lot 1, Block 5 of Rasan Land District, Bintulu Division, Sarawak. The Wawasan Sedar Sdn. Bhd. obtain Environmental Impact Assessment (EIA) approval from Natural Resources Environmental Board (NREB) dated 13th April 1998 with ref.no.: (19)NREB/6-3/11 which sign by Controller of Environmental Quality Mr James Dawos Mamit.</p> <p>In line with that, the monitoring was conducted to monitor plantation activities on site by provide analyses on pesticides/ weedicides every 6 months in the Environmental Monitoring Report (EMR). The latest report was made available on Fourth Quarter 2018 (4th quarter 2018). Based on the report the estate was comply with mitigating measures required by EIA Approval. The latest report for year 2019, 1st Quarter was still progress, the site visit was done on 19 – 21 February 2019 and the report.</p> <p>Based on the Environmental Monitoring Report (EMR) it was observed there was 6 water samples was collect to monitor the water quality: W1 Sg. Sebekai W2 Sg. Lavang (upstream) W3 Sg. Bobopaid W4 Sg. Na'an W5 Sg. Rasan W6 Sg. Lavang (Downstream)</p> <p>Based on the Environmental Monitoring Report (EMR) 4th Q 2018. The water quality monitoring results indicated that all the parameters conformed to the Class IIB of the National Water Quality Standards for Malaysia, except for the following parameters.</p>
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		Sampling Points					
		W1	W2	W3	W4	W5	W6
pH						X	
DO	X						
BOD	X	X	X	X	X	X	X
COD	X	X	X	X	X	X	X
TSS		X					
AN		X	X	X	X	X	X

Status of rare, threatened, or endangered species and high biodiversity value area –
 Status of rare, threatened, or endangered species and high biodiversity value area was not available at this plantation area. Conservation area was sighted located next to Block 21, 25 and 16 with size approximately 80 ha. This area not planted due to fall under category steep area >25°.

Zero Burning Practices –
 It was observed the estate was practice zero burning policy in the estate. The SOP for planting and replanting was available and practice on site.

Site Management –
 Standard Operating Procedure for Wawasan Sedar Sdn Bhd File F01 Section:
 1- MSPO Manual
 2- Job Description
 3- Work Instruction - (1) Environment, (2) Estate Management, (3) Safety & Health
 4- All Standard Operating Procedures

Economic and Financial Viability Plan -
 The Budget is done annually but no forecast made for 5 years. The budget for the year is revised every 3 months to cater for any change in prices to keep up with the trend.
 Budget for 2019 = 271,747.60 MT
 Planted Ha: 14,166.39 Ha
 RM/MT = 318.11

Transparent and fair price dealing –
 The pricing mechanism is set by Head Office.
 There is no contract between the estate and mill (managed by same legal entity).

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	<p><u>Contractor-</u> Wawasan Sedar Sdn Bhd has the following contractor:</p> <ol style="list-style-type: none"> 1. Siong Wang Company, Contract for the transporting of FFB, EFB & related works. A certificate for Contract Work awarded to Siong Wang Company, Date of commencement = 1st January 2017. A <u>Contract Form No. 05297</u> 2. Name of Contractor: Siong Wang Company Date of contract: 1 February 2019 till 28 Feb 2019. Under Terms & Conditions: item no. 2 states that the company shall ensure compliance to the Malaysian Sustainable Palm Oil (MSPO) principles and criteria.
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7. Nonconformities

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

Non Conformity	N°1 of 2		Minor 1			
	Date Recorded>	21 st March 2019	Due Date>	Next Surveillance	Date Closed>	16 th May 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.3.1.3	
Document Ref.:	Criteria 1: Regulatory Requirements		Issue / Rev. Status:		Closed	
Details of Nonconformity:	The legal requirement register was not updated					
Objective Evidence:	An amendment on minimum wage/ new rates effective 1 st January 2019 was not updated in the legal register.					
Close-out evidence:	The estate management was update accordingly refer Appendix 1					

Non Conformity	N° 2 of 2		Major 2					
	Date Recorded>	21 st March 2019	Due Date>	21 st May 2019	Date Closed>	16 th May 2019		
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.3.3			
Job n°:	MY05208	Report date:	21.03.2019		Visit Type:	Main Assessment	Visit n°:	2
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Document Ref.:	MSPO Part 3	Issue / Rev. Status:	Closed
Details of Nonconformity:	Implementation on Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 was found inadequate.		
Objective Evidence:	Based on site visit at Labour line LL1 it was sighted, empty containers were found at backyard lying on the ground. Used chemical containers used as premix was found still having their old labelling intact.		
Close-out evidence:	The estate management had taken necessary action to ensure the implementation on chemical handling procedure is followed accordingly. Please refer to Appendix 1.		

Observation

Non Conformity	N° 1 of 1		Observation 1			
	Date Recorded>	21 st March 2019	Due Date>	Nil	Date Closed>	16 th May 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.1.1	
Document Ref.:	MSPO Part 3		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Social Impact Assessment (SIA) was not comprehensive					
Objective Evidence:	Based on the SIA report, the list of stakeholders did not include all the stakeholders.					
Close-out evidence:	List of stakeholders was updated accordingly.					

8. General Observations & Opportunities for Improvement

Positive Observations:

- The support from Estates 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:


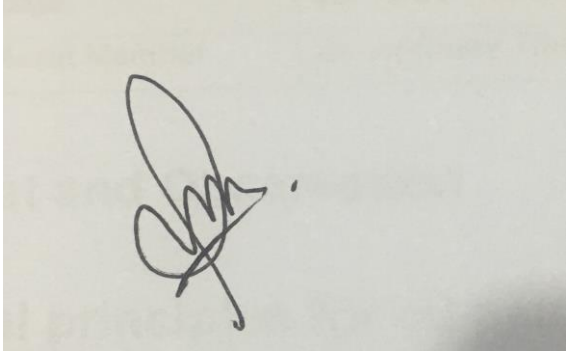
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- The root causes of nonconformities should be clearly identified and tackle in appropriate method.
- The management should appoint suitable person to implement and maintain the traceability system to ensure all document recorded.
- Action taken on 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	Issue Raised	Remarks
<u>Wawasan Sedar Palm Oil Mill</u> 60mt/hr External Production Manager	No issue raised	No Comment
<u>San Hing Transporter</u> External Caroline Mujan Admin Assistant Mdm Wong Hee Ming (Director)	No issue raised	No Comment
<u>KTS Trading Sdn Bhd</u> External Supplier Mr. Cheiu Ching Nguong Branch Manager, Miri	No issue raised	Supply tools such as chainsaw, machineries, spare part, sprayer, diesel (300,000 Liter) for whole BLD group
WWF <u>Interview via phone call</u> WWF-Malaysia (Sarawak Office) Tel: 082-247420/ 257420 Interview via phone (time call: 1 st Call: 2.48pm)	No issue raised	
Department of Environment (DoE) En Shahril Puan Zulaiha Cannot call 14.47pm	No issue raised	No available

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On Behalf of Wawasan Sedar Sdn. Bhd.	On Behalf of SGS Malaysia Sdn Bhd
 <p data-bbox="325 891 619 958" style="text-align: center;">Mr Law Lee Thian Senior Admin Manager</p>	 <p data-bbox="986 884 1267 952" style="text-align: center;">Abdul Khalik Bin Arbi Lead Auditor</p>

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