



## Malaysian Sustainable Palm Oil (MSPO) Audit Summary Report

<b>Organization:</b>	<b>Good Matters Sdn. Bhd.</b>		
<b>Address:</b>	HQ Sub Lot 2603, Lot 2031, MCLD Block 4, Piasau Industrial Estate, 98000 Miri, Sarawak  Estate Address Lot No 1, Block 3 District, Sungai Trus, Bintulu/Miri Road, 98200 Suai, Batu Niah  Contact person.: Kevin Yong Contact No.: 0131 868 7342 Email: goodmattersplant@gmail.com		
<b>Standard(s):</b>	MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders	<b>Accreditation Body(s): STANDARDS MALAYSIA</b>	
<b>Representative:</b>	Contact person.: Kevin Yong (Director)		
<b>Site(s) audited:</b>	Good Matters Sdn. Bhd.	<b>Date(s) of audit(s):</b>	5 <sup>th</sup> December 2019
<b>EAC Code:</b>	Nil	<b>NACE Code:</b>	Nil
<b>Lead auditor:</b>	Abdul Khalik Bin Arbi (AKA)	<b>Additional team member(s):</b>	Jeffrey Denis Ridu (JDR)

### 1. Audit objectives

The objectives of this audit were:

- to confirm that the management system conforms with all the requirements of the audit standard;
- to confirm that the organization has effectively implemented the planned management system;
- to confirm that the management system is capable of achieving the organization's policy objectives.

### 2. Scope of certification

The audit covered one site performing certification scope:

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

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

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

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### 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 2 Minors 1 Observation

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

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

### 4. Previous Audit Results

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

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

### 5. Audit Findings

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

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

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

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

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

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

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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

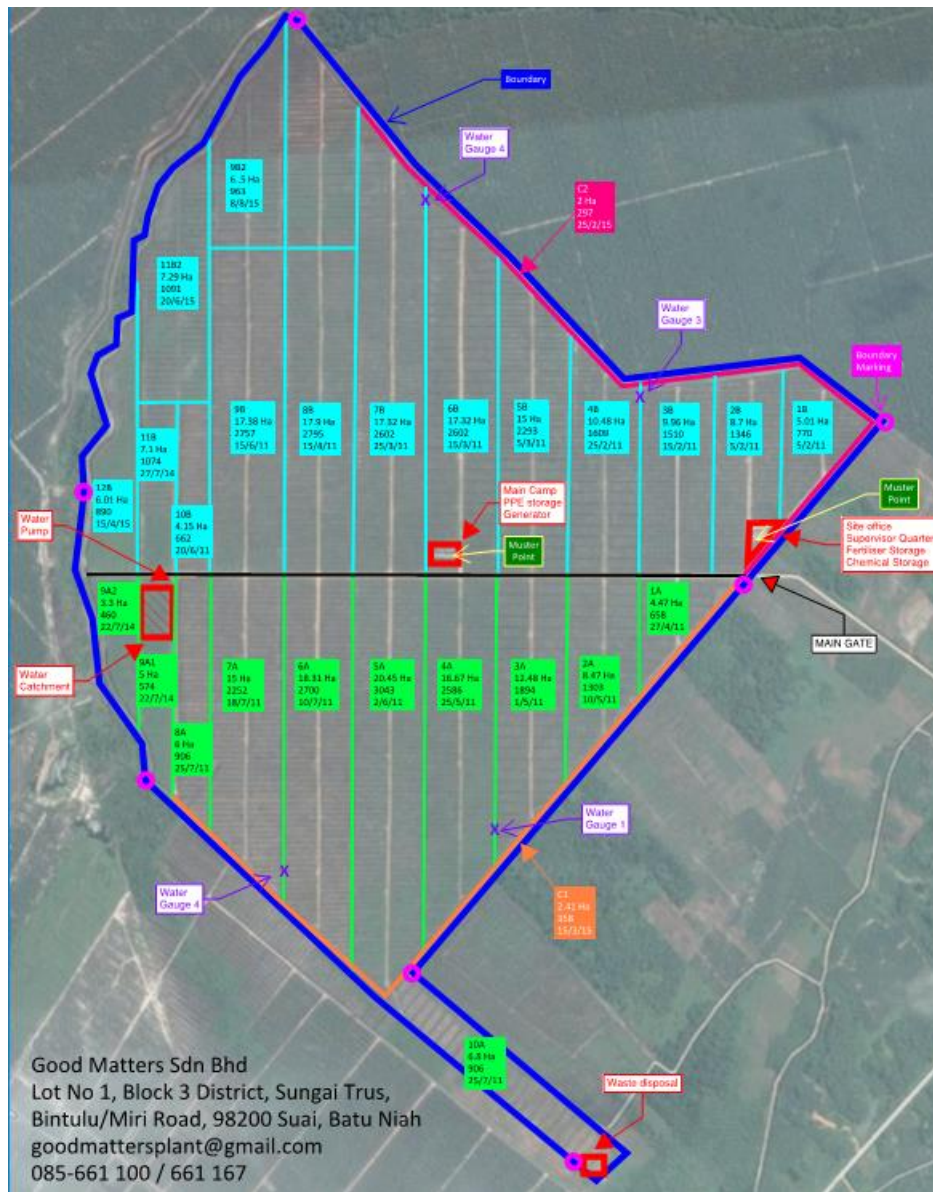
The specific processes, activities and functions reviewed are detailed in the Audit Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

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<b>MPOB License No.:</b>	567109002000	<b>Expiry date:</b>	01/01/2019 – 31/12/2019
<b>Scope of Activity:</b>	<i>Menjual dan Mengalih FFB#</i>	<b>Next Surveillance Audit</b>	<b>October 2020</b>
<b>Visit Number:</b>	<b>02 (Stage 2)</b>	<b>Actual Visit Date:</b>	<b>5<sup>th</sup> December 2019</b>
<b>Visit Due by Date:</b>	<b>Nil</b>	<b>For auditor information only</b>	
<b>Lead Auditor :</b>	Abdul Khalik Bin Arbi (AKA)		
<b>Audit Member</b>	Jeffrey Denis Ridu (JDR)		
<b>Additional Attendees and Roles</b>	Nil		
<b>Standard(s):</b>	MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders		
<b>Audit Language:</b>	English & Malay		
<b>Audit Scope:</b>	1.The audit covered Three (3) site performing the following scope: Operations, comprising of management systems, process of Fresh Fruit bunches (FFB), documentation and site assessment.		

## Audit Plan

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
5th December 2019	7.30 am	AKA, JDR	Depart to Good Matters Sdn Bhd Estate  Arrive at Estate  Opening Meeting Audit Process (Site Visit) <ul style="list-style-type: none"> <li>• Principal 1: Management commitment and responsibility</li> <li>• Principle 2: Transparency</li> <li>• Principle 3: Compliance to legal requirements</li> <li>• Principal 4: Social responsibility, health, safety and employment condition</li> <li>• Principal 5: Environment, natural resources, biodiversity and ecosystem services</li> <li>• Principal 6: Best Practice</li> <li>• Principle 7: Development of New Plantings</li> </ul>	Estate Personnel
	12.30pm		Lunch	
	1.00pm		Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	4.00pm		Preparation for closing Closing Meeting	
	5.00pm		Closing Meeting Depart to Miri Airport	

## Location and Maps



The Plantation area is located at Lot No.1, Block 3,District, Sungai Trus, Bintulu/ Miri Road, 98200 Suai, Batu Niah.in Miri Division, Sarawak. The GPS locations of the state are shown in Table 1.

**Table 1: GPS Location**

	Estate	Coordinates	Total Hectare (ha)	Total Planted Area (ha)	Unplanted Area (ha)
1	Good Matters Sdn Bhd	N 3.82525 E 113.653944	291.82	275.69	16.13

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### Description of Estate Production

The FFB are sourced from the estate which are individually managed by Good Matters Sdn Bhd. The crop yield from this estate is mention in **Table 2** below.

**Table 1: FFB Production**

Month	FFB Production (Mt)		
	2018 (Actual)	2019 (Actual)	2020 (Projection)
January	529.28	501.347	747
February	499.15	553.15	747
March	526.76	673.2	747
April	570.9	689.98	747
May	715.85	660.37	747
June	714.75	773.66	747
July	629.78	829.94	747
August	760.81	828.771	747
September	771.03	746.84	747
October	628.19	533.43	747
November	706.3	503.46	747
December	563.92	620.00*	747
<b>Total</b>	<b>7,616.72</b>	<b>7,294.148</b>	<b>8,964.00</b>

### Area Statement

Plantation	Total Area	Planted Area	Unplanted Area	Size Registered with MPOB
Good Matters Sdn Bhd	291.82	275.69	16.13	291.82

### Stakeholder Consultation and List of Stakeholders Contacted

A public announcement was made 30 days prior to the audit at <https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/good-matters-sdn-bhd>

Stakeholder consultation took place in the form of meetings and interviews. Due to this is the pilot 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:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u>  MSPO Policy was available, displayed and implemented. Policy was in dual language (BM &amp; English), which signed by Director (Mr Yong Foh Yen) dated 1<sup>st</sup> December 2018. In the policy the Good Matters Sdn Bhd is committed to sustainable oil palm development in accordance to principle in Malaysia Standards MSPO: Part 3 – General Principles for Oil Palm Plantations and Organised Smallholders. Also committed to ensure continuous improvement to the management in sustainable oil palm development.</p> <p>Based on interview with Mr Denis Yuwen Anak Sadai (731115-13-6565)(Estate Manager) and Arun ak Sain (Driver), Both of them aware regarding the policy.</p> <p>Observation (4.1.1.1)  It was sighted all policies displayed were not dated</p> <p><u>Internal Audit</u>  Internal Audit was plan at least twice a calendar year, to verify site operations continue to comply with the requirement of the management system and MS2530: Part 3 as well as documented procedures and effectively implemented and maintained. The internal audit was conducted on 9<sup>th</sup> October 2019.</p> <p>The internal audit procedures and audit results was documented and evaluated, followed by the identification of strengths and root causes of nonconformities. Based on the internal audit report there was 4 findings was reported. Finding criteria as follows:</p> <ul style="list-style-type: none"> <li>• 4.4.4.2 (First Aid Kit Box without checklist of contents and inspection form/ record).</li> <li>• 4.5.3.2 (Schedule waste products in schedule waste store not clearly labelled. Waste card not available in scheduled waste store)</li> <li>• 4.5.3.5 (No start and closed sign posted at landfill located at Block 10A).</li> <li>• 4.6.1.1 (Work instruction for generator not available at Diesel engine room).</li> </ul> <p>Based on the report all of the NC raise during the audit was closed within the period 1 month, stated in the internal audit procedure.</p> <p><u>Management Review –</u>  The management review just conducted recently during the Stage 1 audit conduct which on 25<sup>th</sup> October 2019, Agenda in the minutes meeting discuss on:</p> <ul style="list-style-type: none"> <li>➢ MSPO Certification Status</li> <li>➢ Manual, Policy and procedures status</li> <li>➢ Results of internal audit</li> <li>➢ Preventive and corrective action status</li> <li>➢ Recommendations for improvement</li> <li>➢ Closing</li> </ul> <p><u>Continual Improvement -</u></p>
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	<p>It was sighted action plan for continual improvement was available, with consideration of the main social and environmental impact and opportunities of the company. Improvement area as follows:</p> <ul style="list-style-type: none"> <li>✓ Estate workshop – Proposed to construct proper concrete flooring and increase size, during site assessment on site, construction was completed.</li> <li>✓ Chemical Storage Area – Install additional main holes. Completed.</li> <li>✓ PPE storage Area - Install wall partitioning and shelving, completed during site visit.</li> <li>✓ Generator Room – Construct new warehouse with adequate lighting, access, ventilation. Complete</li> <li>✓ Fertilizer Warehouse – Construct new warehouse with adequate lighting, access and ventilation. Complete</li> <li>✓ Chemical Storage Area, Generator room, water pump and workshop – Prepare gallon buckets filled with sand and scoop and plastic bags. Complete</li> </ul>
<p>Comment on Principle 2</p>	<p><u>Transparency of information and documents relevant to MSPO requirements</u></p> <p>The estate management had provided Procedures for Request and Responses for handling written external requests for access to information from stakeholders. The requests for access to information submitted in other written format (letter, email or fax) will also be accepted. Procedures stated as follows:</p> <p>Immediately upon receipt.</p> <ul style="list-style-type: none"> <li>✓ Verify request received</li> <li>✓ Review request to see if records “reasonably described”</li> <li>✓ Determine response date or production date (14 working days) and diary date for response or production.</li> </ul> <p>Within 14 working days.</p> <ul style="list-style-type: none"> <li>✓ Determine if records exist in possession, custody or control</li> <li>✓ Ensure request is provided to correct department</li> <li>✓ Send request to officials, Employees, Board members who may have custody of records.</li> <li>✓ If records exist, determine how long to search, compile and reproduce.</li> <li>✓ Records should be provided in electronic format that is requested or in standard searchable format unless requester is unable to receive electronically.</li> <li>✓ Create and send a response letter</li> </ul> <p>The ensure confidentiality of the requester, only person in charge will handle the process until it response to the requester.</p> <p>Management documents was publicly available. It can get through website gmatters.business.site.</p> <p><u>Transparent method of communication and consultation</u></p> <p>The estate management had provided Procedures for Request and Responses for handling written external requests for access to information from stakeholders. The requests for access to information submitted in other written format (letter, email or fax) will also be accepted. Procedures stated as follows:</p> <p>Immediately upon receipt.</p> <ul style="list-style-type: none"> <li>✓ Verify request received</li> <li>✓ Review request to see if records “reasonably described”</li> </ul>



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<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 Good Matters Sdn Bhd can be referred to MSPO Legal Register File no. 8. Highlighted here some of the compliance with laws and regulations as follow:</p> <p>i. MPOB Licence  Good Matters Sdn Bhd; Lot 1, Blok 3, Sungai Trus, Bintulu/Miri Suai Land District; 98000 Miri, Sarawak  No. Licence: 567109002000  Period: 01/01/2019 till 31/12/2019  Activities: 1) Menjual dan Mengalih FFB  Estate hectarage: 291.82 Ha</p> <p>ii. Lease of State Land  Suai Land District Lot 1, Block 3, Miri, Sarawak</p> <table border="1" data-bbox="536 813 1206 911"> <thead> <tr> <th>No.</th> <th>Lot No.</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Lot 1 Blk 3</td> <td>291.20</td> </tr> <tr> <td>Total</td> <td></td> <td>291.20</td> </tr> </tbody> </table> <p>An Application for State Land dated 22/05/2012 refer to a piece of state land approximately 7.9 Ha situated next to Lot 1, Block 3 Suai Land District. Reply from Land &amp; Survey Department Ref No: 3/Doss No. 86/2009 (B) dated 25/07/2012. The latest letter to L&amp;S Dept dated 19/06/2018 but still awaiting reply.  Another Application for State Land reply from Land &amp; Survey Department date 18/04/2012 with Ref No: 4/Doss No 86/2009 (A) for Case ref AL/4D/287/2011 of size approximately 90 Ha.</p> <p>iii. Business Licence No. A 707099. Validity from 08/01/2019 - 04/02/2020.</p> <p>iv. Perakuan Pemerbadanan Syarikat Sendirian; SSM No. Syarikat 802022-W; Dated 08/01/2008</p> <p>List of State and National Laws applicable to the Palm Oil Industry available. Latest update of Monthly Legal Monitoring Checklist was in 21/10/2019.</p> <p><u>Land Use Rights</u>  The estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations. Compliance to Legal requirements for Good Matters Sdn Bhd can be referred to MSPO Legal Register File no. 8. Highlighted here some of the compliance with laws and regulations as follow:</p> <p>i. MPOB Licence  Good Matters Sdn Bhd; Lot 1, Blok 3, Sungai Trus, Bintulu/Miri Suai Land District; 98000 Miri, Sarawak  No. Licence: 567109002000  Period: 01/01/2019 till 31/12/2019  Activities: 1) Menjual dan Mengalih FFB  Estate hectarage: 291.82 Ha</p>	No.	Lot No.	Ha	1	Lot 1 Blk 3	291.20	Total		291.20
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<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment (SIA)</u> It was sighted Social Impact Assessment was made available during the audit. The report was prepared by Mr Yong Siew Lee, Consultation &amp; Communication Officer for Year 2019.</p> <p>The content of the report covers:</p> <ol style="list-style-type: none"> <li>(1) General Purpose of SIA</li> <li>(2) Company Profile</li> <li>(3) Estate Locality Map</li> <li>(4) Estate Map</li> <li>(5) Organization Chart</li> <li>(6) Employee report</li> <li>(7) Facilities &amp; Amenities</li> <li>(8) Continual Improvement Plan</li> <li>(9) Wages</li> <li>(10) External Stakeholders</li> <li>(11) Sexual Harassment Policy</li> <li>(12) Neighbouring Estates</li> <li>(13) Social Issues and Mitigation Measures</li> <li>(14) Records of previous stakeholder meetings, complaints and grievances</li> </ol> <p>Action plan to mitigate the negative impacts and promote the positives ones was sighted. Some of example as follows:</p> <ul style="list-style-type: none"> <li>✓ Workers quarters do not the insufficient drainage and sewage, improvement strategies taken by the estate by replace current pipelines with larger diameter pipes, install maintenance holes and 2 new septic tanks.</li> <li>✓ Water catchment, risk of sucking up sedimentation, improvement strategies by install buoy with sediment filter and the end of hose.</li> <li>✓ Linesite, insufficient flowers &amp; grass, improvement strategies by plant flowers &amp; grass by the workers.</li> <li>✓</li> </ul> <p>The estate management had provided Procedures for Request and Responses for handling written external requests for access to information from stakeholders. The requests for access to information submitted in other written format (letter, email or fax) will also be accepted. Procedures stated as follows:</p> <p>Immediately upon receipt.</p> <ul style="list-style-type: none"> <li>✓ Verify request received</li> <li>✓ Review request to see if records “reasonably described”</li> <li>✓ Determine response date or production date (14 working days) and diary date for response or production.</li> </ul>									

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with workers, they aware regarding the policy.  
 a) It was sighted the safety and health policy was displayed and in dual language understandable by workers.

Among the safety objective:

- To compliance with the Occupational Safety and Health Act 514, 1994 and Regulations made thereunder.
- Regularly training and educating all concerned on health and safety measures by making them aware and practice the standards required to ensure and to promote a safe and healthy work culture.
- Providing relevant information and instructions on safety and welfare to all categories of employees by regularly updating and enforcing those standards and safety procedures.

b) The HIRARC was done by consultant, dated 14<sup>th</sup> February 2019. It was sighted risks of all operation was assessed. Random sample was asked to the Safety Officer, the auditor asking HIRARC for Diesel and Lubricant store area, it was available in the HIRARC report.

c) Yearly training programmed for year 2019 was available Proposed training to be conducted listed under category as below:

- ✓ MSPO Awareness Training: The latest training was conducted on 20.09.2019
- ✓ Safety Work Training
- Briefing on OSH Policy: Training was conducted on 20.09.2019
- ✓ Environmental Training
- ✓ Social Training
- ✓ Best Practices

d) It was sighted record of PPE was made available in the estate record and recorded sighted as follows:

- ✓ Ummi, 19.11.2019, Apron
- ✓ Denis, 16.11.2019, safety shoes.

The PPE records can verified at PPE records.

e) The management has established Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. It was divided by four procedures as follows:

- ✓ SOP for Storage and Handling of Chemical
- ✓ SOP for Storage and Handling Fertilizers
- ✓ Diesel/ Oils (Lubricants)
- ✓ SOP for Handling of used Empty Chemical Containers

f) It was sighted appointment letter for OSH committee members was available in estate management record. Mr Jones Rimau has appointed as Safety and Environment Officer, dated of letter 1<sup>st</sup> January 2019.

g) Since this estate is medium scale, the communication between

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	<p>employees and employer regarding the safety matter, it was conduct weekly basis. Example sighted GM Weekly Meeting No.5, dated on 3<sup>rd</sup> October 2019.</p> <p>h) It was sighted Accident and emergency procedures was available. With title Procedures for Accident and Emergency Response.</p> <p>i) Employed trained in first aid was available at all field operations. It was conducted on 20<sup>th</sup> September 2019 regarding the first aid which conducted by the consultant, name sighted as example attended is Mr Denis Yumen (Site supervisor on the field).</p> <p>j) Employees trained in first aid was available at all field operations. Name Mr Denis Anak Yuwen</p> <p>k) Currently there was no accident occurred in the site.</p> <p>Major 1 (4.4.4.2) Implementation of safety and health aspects were found lacking. Evidence sighted as follows:</p> <ol style="list-style-type: none"> <li>1. First aid kit at operation area was not available.</li> <li>2. Cigarette butts were sighted at “No Smoking Area” signage.</li> <li>3. Emergency assembly point signage was available but no emergency layout plan available.</li> <li>4. Used tyres were sighted collecting water and becoming mosquitoes breeding ground.</li> </ol> <p><u>Employment Conditions</u> The management had established Employment Policy, to providing work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercing or disruptive, including no child labour. The policy was signed by Mr Yong Foh Yen, Executive Director dated 01/01/2019. A Sexual Harassment Policy is sighted for both estates. The policies are communicated to the employees by display at the site office, line site and workshop area in dual languages of English and Bahasa Malaysia.</p> <p>It was observed the equal opportunity statement by the top management was included in the Social Policy. In the policy it was stated the company is committed to providing equal opportunities and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin, sexual orientation or any other distinguishing characteristics.</p> <p>On-site living quarters are provided to general workers and staff. Observed that the living quarters are habitable and have amenities such as water from rainwater, electricity from Genset. Good Matters Sdn Bhd has 3 blocks with total 30 doors of labour quarters.</p> <p>It was observed the employment policy on good social practices regarding human rights in respect of industrial harmony and a specific policy on Prevention of Sexual Harassment Policy was signed by Mr Yong Foh Yen, Executive Director on 01/01/2019.</p> <p><u>Training and Competency</u> Training records for <u>Good Matters Sdn Bhd</u> seen as follows:</p> <ol style="list-style-type: none"> <li>1) 21/06/2019 - Basic fire fighting conducted by Dr James; Attended by 7</li> </ol>
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	<p>participants.</p> <ol style="list-style-type: none"> <li>2) 20/09/2019 - MSPO awareness, Policies, PPE and SDS conducted by Hilary Blitang Awell (NSL Consultancy) attended by 29 participants.</li> <li>3) 07/09/2019 - Manuring conducted by Jones Ak Rimau &amp; Dennis Yuwen; Attended by 6 participants.</li> <li>4) 11/11/2019 - Sexual harassment policy; Complaints &amp; grievance procedure; Environmental policy; No open burning; storage of tools, PPE, class 1 &amp; 2 chemicals; emergency contacts; muster point; location of first aid and fire extinguishers; conducted by Mr Yong Tze Wui attended by 29 participants.</li> <li>5) 28/11/2019 - Handling &amp; recording of scheduled waste, fertilizer, chemicals, fuel conducted by Kevin Yong Tze Wui attended by 2 supervisors.</li> </ol> <p>Minor 2 (4.4.6.2) Training needs of individual employees was not identified. Annual training programmed and training records were sighted, however training matrix for individual workers was not available.</p> <p>An Annual Training Programme for 2019 and 2020 sighted for <u>Good Matter Sdn Bhd</u>. Contents:</p> <ol style="list-style-type: none"> <li>(1) MSPO awareness training</li> <li>(2) Safety work training</li> <li>(3) Environmental training</li> <li>(4) Social training</li> <li>(5) Best practices training.</li> </ol> <p>Proposed date and actual date done sighted.</p>								
<p>Comment on Principle 5</p>	<p><u>Environmental Management Plan</u></p> <p>It was sighted the Environmental Policy was display and signed by Mr Yong Foh Yen (Executive Director) dated on 30<sup>th</sup> December 2018. In the environmental policy, the estate committed to:</p> <ul style="list-style-type: none"> <li>✓ Comply to environmental laws related to the palm oil industry.</li> <li>✓ Protect and preserve flora and fauna by improving the system continuously</li> <li>✓ Prevent and controlled air, water and soil pollution by managing leftovers of waste materials based on the laws that are provided.</li> <li>✓ Ensure training, information, instructions and restrictions related to the environmental were given and communicated to the employee, workers, contractors and stakeholders.</li> </ul> <p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones was developed by estate management it was incorporated in Environmental Aspects and Impacts.</p> <p>A programmed to promote the positive impacts for continual improvement plan was made available in Environmental Aspects and Impacts. Example sighted Scheduled Waste &amp; domestic Waste handling. During site visit the scheduled waste and domestic waste were properly labelled and disposed.</p> <p><u>Efficiency of energy use and use of renewable energy</u></p> <p>It was observed Records for consumption of diesel was available years past. Usage of diesel consumption list as below.</p> <table border="1" data-bbox="536 1912 1118 2009"> <thead> <tr> <th>Year</th> <th>2017</th> <th>2018</th> <th>2019*</th> </tr> </thead> <tbody> <tr> <td>Budget (Liters)</td> <td>55,000</td> <td>55,000</td> <td>55,000</td> </tr> </tbody> </table>	Year	2017	2018	2019*	Budget (Liters)	55,000	55,000	55,000
Year	2017	2018	2019*						
Budget (Liters)	55,000	55,000	55,000						



Actual (Liters)	59,778	53,525	37,036
*as November only			
Diesel usage Vs FFB production			
FFB	2019		
High Peak	830 mt (FFB) 3,140L of (Diesel)(July)		
Low Peak	501mt (FFB) 3,549L of (Diesel)(January)		
The differences of diesel due to, during low crop period, there is more running on vehicle to collect the FFB compare to high crop period.			
<p>It was observed the electricity was available 4 hours in the estate. The estate facilities such staffs workers house was generate by genset. 12.5Kva (5.00 pm to 9.00 pm) Site Office electricity generate by solar energy.</p> <p>Currently the site office using solar energy to generate electricity only, other than that using genset.</p> <p><u>Waste management and disposal</u> During audit conduct, the estate management able to identify all waste products and sources of pollution.</p> <p>Based on interview with Mr Yong Tze Wui Manager), he able to provide sources of pollution, some example as follows:</p> <ul style="list-style-type: none"> <li>• Estate Workshop</li> <li>• Chemical Store</li> <li>• Fertilizer Store</li> <li>• Scheduled Waste Store</li> <li>• Generator Room</li> <li>• Water Pump</li> <li>• Manual Spraying</li> <li>• Manual Manuring</li> <li>• Pruning</li> <li>• Drain Desilting/ Construction</li> <li>• Road Repairs/ Consultation</li> </ul> <p>The estate management was provide management plan to avoid or reduce pollution. The management plan was include;</p> <ul style="list-style-type: none"> <li>✓ Identifying and monitoring sources of waste and pollution. Example sighted as follows; <ul style="list-style-type: none"> <li>➢ Sediment run off due to road repair/ construction, control measure taken by install or erect temporary sediment filtration system to lessen the impact the impact of sediment to the river.</li> <li>➢ Riparian Reserve Contamination due to Manuring activities, control measure taken by the estate is strictly no spating of any kind is to be done at these area. It was sighted marking of buffer zone was done at Sg. Samadan.</li> <li>➢ Triple rinse for emphy containers was practice in this estate. It was sighted all of empty containers in scheduled waste store was</li> </ul> </li> </ul>			

	<p>triple rinse and punctured at designated area in the store.</p> <p>It was observed the SOP for handling of used chemicals was incorporated in File at Principle 5. The Title for the SOP is Storage and Handling of Chemical to ensure proper and safe handling, storage and disposal was available.</p> <p><u>Reduction of pollution and emission</u>  An assessment of all polluting activities was conducted as follows:</p> <ul style="list-style-type: none"> <li>✓ including greenhouse gas emissions: It was sighted the estate management had provided calculation of emissions with total emissions 16,352 kg CO<sub>2</sub>eq per ha per year.</li> <li>✓ Scheduled wastes: It was sighted Consignment note for scheduled wastes, dated 15.11.2019 with no.: 12165.Used Lubricant oil.</li> <li>✓ solid wastes: come from labour line and site office and</li> <li>✓ Effluent: Human waste which is channel to septic tank for treated.</li> </ul> <p>Action Plan to reduce identified significant pollutions and emission was establish and implemented by the estate management. Action plan taken sighted as follows:</p> <ul style="list-style-type: none"> <li>✓ Transporting chemical to estate from supplier, control measure taken such as: <ul style="list-style-type: none"> <li>➢ Constant maintenance of lorry to ensure that generation of air pollutants are kept at minimum level.</li> <li>➢ Use lorry to transport a large load instead off a small load to prevent increased number of trips</li> </ul> </li> <li>✓ Running of generator, control measure such as follows: <ul style="list-style-type: none"> <li>➢ Generator is situated far away from residential and others buildings.</li> <li>➢ Muffers or sound absorbants is buit into the generator or its shed to reduce the level of noise generated.</li> </ul> </li> </ul> <p>was sighted during the audit conduct.</p> <p><u>Natural water resources</u>  Establishment of water management plan was available by estate management which to maintain the quality and availability of natural resources. The water management palm include as follows:</p> <ol style="list-style-type: none"> <li>a) Assessment of water usage and sources of supply. The source of water supply come from water catchment pond and rain water.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. Optimise rainwater collection for domestic use by providing water tanks and installing gutters to maximise rain water collection. And also water gates are built near the 4 corners of the estate with water gauges to measure and control the water table</li> <li>c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). Optimize rainwater collection for domestic use by providing water tanks and installing gutters to maximize rain water collection.</li> <li>d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all-natural waterways within the estate. Planting</li> </ol>
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	<p>legume cover crops on inland soils and undulating hilly terrain.</p> <p>e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. Riparian area was sighted and well maintained and marked with red colour at respective oil palms trees.</p> <p>No construction of buds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><u>Status of rare, threatened, or endangered species and high biodiversity value area.</u>          Minor 3 (4.5.6.1)          It was observed the biodiversity report was available during the audit. However, Biodiversity report was found inadequate. It was observed the biodiversity report was available during the audit. However, it was not reflecting the estate itself but more focused on Sarawak in general.</p> <p>It was observed the was signages on prohibiting, hunting and fishing was available at Block A, Task 3, at the entrance of the estate and buffer zone area.</p> <p><u>Zero Burning Practices</u>          Not applicable at this moment, due to no replanting programmed for next 5 years</p>
<p>Comment on Principle 6</p>	<p><u>Site Management</u>          The Standard Operating Procedures sighted such as:          (1) Harvesting          (2) Manuring          (3) Spraying          (4) Handling of Used Empty Chemical Containers          (5) Waste Management Procedure          (6) SOP for Domestic Waste Mangement          (7) SOP for Storage and Handling of Chemical          (8) SOP for storage and Handling Fertilizers.          (9) SOP for Storage and Handling of PPE</p> <p>Example inside content:          Harvesting - a) Pre-harvest operation;-              a. Harvesting path              b. Flat, rolling &amp; undulating areas.              c. FFB Quality Control              d. Harvesting standard              e. Harvesting intervals              f. FFB Grading</p> <p>Best practices are adapted from the Field Handbook by Ian Rankine and Thomas Fairhurst.</p> <p><u>Economic and Financial Viability Plan</u>          The crop forecast was done on yearly basis and only started for 2019. The crop forecast for Good Matters Sdn Bhd is 8,378 MT for 2019 and 8,964 MT for 2020.</p>

Review of performance				
	2018		2019	
	Budget	Actual	Budget	Actual (up to Nov)
Ha	291.82	291.82	291.82	291.82
MT	7,516.00	7,616.72	8,378.00	7,797.46
YPH	25.76	26.10	28.71	26.72
<p>A 3-year Production Analysis for 2018 - 2020 in graphical form sighted. Forecast FFB for 2020 at 8,964 MT.</p> <p><u>Transparent and fair price dealing</u>            Contract Agreement for sale and Purchase of FFB made on 11/11/2013 between MJM (Palm Oil Mill) Sdn Bhd and Good Matters Sdn Bhd.            A Letter of Offer for FFB Volume Incentive from MJM (Palm Oil Mill) Sdn Bhd seen dated 22/12/2018.</p> <p>An FFB Statement from MJM (Palm Oil Mill) Sdn Bhd showing FFB delivered and purchased from 01/11/2019 to 30/11/2019. Statement No: 008857.            FFB received (MT): 561.58 divided into 3 grades - A, B &amp; C with different rates based on OER and KER.</p> <p><u>Contractor</u>            No contractor.</p>				

## 7. Nonconformities

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

Non- Conformity	N° 1		Major 1			
	<b>Date Recorded&gt;</b>	5 <sup>th</sup> December 2019	<b>Due Date&gt;</b>	4 <sup>nd</sup> Feb 2019	<b>Date Closed&gt;</b>	18 December 2019
Department / Function:	Administrative		Standard Ref.: Indicator	MSPO 2350-Part 3 4.4.4.2		
Document Ref.:	Criteria 4: Employees safety and health		Issue / Rev. Status:	Closed		
Details of Conformity	The occupational safety and health plan shall cover the following: (a) –( j)					
Details of	Implementation of safety and health aspects were found lacking					
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Nonconformity:	
Objective Evidence:	Evidence sighted as follows: 5. First aid kit at operation area was not available. 6. Cigarette butts were sighted at "No Smoking Area" signage. 7. Emergency assembly point signage was available but no emergency layout plan available. 8. Used tyres were sighted collecting water and becoming mosquitoes breeding ground.
Root Cause	1. First aid kits already available at labour quarters & office. 2. Training provided was not adequate. 3. Training already provided but layout plan was not attached to notice board. 4. All used tyres are repurposed for planting flowers. Recently the increase in road repairs had relocated the tyres but some not replaced and repaired. Rain had also caused soil erosion within the tyre, leaving gaps to pool water
Action Plan:	1. First Aid kit will be supplied to supervisor. 2. Retraining will be provided and penalties strongly enforced to prevent repeated offence 3. Retraining will be provided and emergency layout plan attached to notice board 4. Full housekeeping for tyres will be scheduled, relocation and replanting of flowers included.
Close-out evidence:	The estate management had taken necessary action to close the Major finding during the audit conducted. Kindly refer Appendix 1 for details.

<b>Non- Conformity</b>	N° 2		Minor 2			
	<b>Date Recorded&gt;</b>	5 <sup>th</sup> December 2019	<b>Due Date&gt;</b>	4 <sup>nd</sup> September 2019	<b>Date Closed&gt;</b>	18 December 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.6.2	
Document Ref.:	Criteria 6: Training and Competency		Issue / Rev. Status:		Closed	
Details of Conformity	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.					
Details of Nonconformity:	Training needs of individual employees was not identified.					
Objective Evidence:	Annual training programmed and training records were sighted, however training matrix for individual workers was not available.					
Root Cause:	Training matrix is available but not comprehensive enough. Training only designated by work type					
Action Plan:	Provide training matrix for individual workers					
Close-out evidence:	See Appendix 2					

<b>Non- Conformity</b>	N° 3		Minor 3			
	<b>Date Recorded&gt;</b>	5 <sup>th</sup> December 2019	<b>Due Date&gt;</b>	4 <sup>nd</sup> September 2019	<b>Date Closed&gt;</b>	18 December 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.6.1	
Document Ref.:	Criteria 6: Status of rare, threatened, or endangered species and high biodiversity		Issue / Rev. Status:		Open	

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	value area.		
Details of Conformity	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: (a) – (b)		
Details of Nonconformity:	Biodiversity report was found inadequate.		
Objective Evidence:	It was observed the biodiversity report was available during the audit. However, it was not reflecting the estate itself but more focused on Sarawak in general.		
Root Cause:	Insufficient information available to identify protected plants.		
Action Plan:	Contact Sarawak Forestry for photos and interview workers to assist with identifying protected plants.		
Close-out evidence:	See Appendix 3		

## Observation

<b>Non- Conformity</b>	N° 1					
	<b>Date Recorded&gt;</b>	5 <sup>th</sup> December 2019	<b>Due Date&gt;</b>	Nil	<b>Date Closed&gt;</b>	11 December 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.1.1.1	
Document Ref.:	Criteria 1: MSPO Policy		Issue / Rev. Status:		Open	
Objective Evidence:	It was sighted all policies displayed were not dated					
Close-out evidence:	See website gmatters.business.site					

## 8. General Observations & Opportunities for Improvement

### Positive Observations:

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



### Important Observations and Opportunities for Improvements:

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

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**Appendix 1: List of Stakeholders Interviewed**

Stakeholder	Issue Raised	Remarks
<u>Wargo Trading Sdn. Bhd.</u> External Manager	No issue raised	Supplier
<u>MJM (POM) Sdn Bhd</u> External Mill Manager	No issue raised	Palm Oil Mill
<u>Worker</u> Internal	No issue raised	Interview during audit conducted.

Signed on behalf of <b>Good Matters Sdn Bhd</b>	Signed on behalf of <b>SGS Malaysia Sdn Bhd</b>
 <p>Mr Yong Foh Yen Director</p>	 <p>Abdul Khalik Bin Arbi , Lead Auditor</p>