



Gayanis Sdn Bhd Audit Summary Report

Organization:	Gayanis Sdn Bhd		
Address:	<u>Gayanis Sdn Bhd (HQ)</u> 7th Floor Crown Towers, 88 Jalan Pending, 93450 Kuching, Sarawak Contact Person: Mr. William Tham Phone No : 082-345 033 / 019-886 7073 <u>Gayanis Sdn. Bhd. Palm Oil Mill</u> Lot 1, Block 45, Sungai Serai, Niah Sawai Land District, Miri, Sarawak.		
Standard(s):	MS2530-4:2013 Part 4 : General Principles for Palm Oil Mills	Accreditation Body(s): DEPARTMENT STANDARDS MALAYSIA (DSM)	
Representative:	Mr. William Tham		
Site(s) audited:	Gayanis Sdn. Bhd. Palm Oil Mill	Date(s) of audit(s):	7 th January 2018
Visit Type:	MSPO Audit Stage 2	Type of certification assessment	Main Audit
Lead auditor:	Dickens Mambu (DM)	Additional team member(s): Audit Member	Abdul Khalik Bin Arbi (AKA)
This report is confidential, and distribution is limited to the audit team, client representative and the SGS office.			

1. Audit objectives

The objectives of this audit were:

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

2. Scope of certification

Processing of Fresh Fruit Bunches (FFB) and Production of Crude Palm Oil (CPO) and Palm Kernel (PK) in compliance to the MSPO Certification Standard MS2530-4:2013 Part 4 : General Principles for Palm Oil Mills

The audit covered the MS 2530-4:2013 requirements particularly MSPO Certification Standard **MS2530-4:2013 Part 4** (Palm Oil Mill)

Validation of processes for production and service provision

Has this scope been amended as a result of this audit?

Yes

No

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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 0 Minor

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

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

4. Previous Audit Results

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

Any nonconformity identified during previous audits has been corrected and the corrective action continues to be effective.

The management system has not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

5. Audit Findings

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

The management system documentation demonstrated conformity with the requirements 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

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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:

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MPOB License No.:	548878104000	Expiry date:	1/5/2018-30/04/2019
Scope of Activity:	1. Menjual dan mengalih (FFB, PK, CPO, SPO) 2. Membeli dan mengalih (FFB, PK, CPO) 3. Menyimpan (PK, CPO, SPO) 4. Mengilang (FFB)		
Visit Number:	02 (Stage 2)	Actual Visit Date:	7th January 2019
Proposed Next Audit	November 2019		
Visit Due by Date:	Nil	For auditor information only	
Lead Auditor :	Abdul Khalik Arbi (AK)		
Audit Member	Dickens Mambu (DM)		
Additional Attendees and Roles	Nil		
Standard(s):	MS2530-4:2013 Part 4 : General principles for Palm Oil Mills		
Audit Language:	English & Malay		

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Audit Scope:	<p>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.</p> <p>2.The audit covered all the MSPO 2530 Part 4 requirements with no permissible exclusion of clause in compliance to the standard document</p>
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Audit Plan

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
7 th January 2019	7.00am 8.00am	DM & AKA	Flight Kuching to Bintulu Arrived at Miri Airport	Mill Personnel
	8.00am	DM & AKA	Depart to Gayanis POM Arrive at Mill 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 	Mill 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		Preparation for closing	
	6.00pm		Closing Meeting End Audit Stage 2 Depart to Bintulu Town	

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Location and Maps

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

Table 1: GPS Location

Mill:	Location Address:	GPS Coordinate(s):	Mill Capacity:
Gayanis Sdn. Bhd. Palm Oil Mill	Lot 1, Block 45, Sungai Serai, Niah Sawai Land District, Miri, Sarawak	3°21'30.14" N 113°40'33.6" E	80

Figure 1: Gayanis Palm Oil Mill Locality Map



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Description of Mill Production

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

Table 2: FFB Production

Gayanis Sdn. Bhd. Palm Oil Mill	FFB Production (MT)		
	Year 2017 (Actual)	Year 2018 (Actual)	Year 2019 (Projection)
January	27,053.57	26,706.90	22,330
February	26,369.34	20,591.68	21,200
March	22,328.38	21,779.12	18,960
April	23,119.38	20,255.04	19,410
May	19,697.73	22,377.03	21,980
June	22,212.08	19,465.32	22,090
July	28,439.07	25,017.55	25,190
August	27,685.67	25,743.94	29,940
September	27,042.99	30,417.12	33,520
October	33,049.34	28,348.10	33,630
November	30,311.39	25,175.52	32,190
December	26,373.96	26,125.55	30,280
Total	313,682.90	292,002.87	310,720

Table 3: Actual and Projected Mill Processing Data

Gayanis Sdn. Bhd. Palm Oil Mill	Actual FY (2018)		Projected (FY 2019)	
	CPO (mt)	PK (mt)	CPO (mt)	PK (mt)
Own source	61,490.17	13,689.25	66,804.80	13,982.40
	OER: 21.06%	KER: 4.69%	OER: 21.50%	KER: 4.50%

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/gayanis-sdn-bhd>

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 MS2530-4 Compliance Status:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u> The Malaysian Sustainable Palm Oil (MSPO) Policy was sighted available as per MSPO requirement dated 1st July 2018</p> <p>The policy contain commitment on MSPO requirement and also mention on continuous improvement in their operations.</p> <p>The policy was sign by two persons 1) Mr Cheng Huan Biew (General Administrative Manager). 2) Mr Jeffrey Wong Yee Ling (Senior Factory Manager)</p> <p>The policy consists of</p> <ol style="list-style-type: none"> 1. Safety & health 2. Environment 3. Good Social Practices 4. Harrasment and Violence Prevention <p>Based interview with one of the staff</p> <ol style="list-style-type: none"> 1) Name: Ronnie ak Lejau (Technical Assistant) aware regarding the MSPO policy. <p><u>Internal Audit –</u> Internal audit latest conducted: 22nd till 23th October 2018. Audit plan was prepared on 12th October 2018 by Lead Auditor Mr Chong Wai.</p> <p>The SOP for Internal audit was made available in the premise with document ref. no.: GYPOM-03-TM01/REV0 dated updated 1st July 2018. The objective of this procedure is to provide an independent assessment system to identify strength(s), weakness (es) and potential areas for continual improvement to the MSPO system.</p> <p>From mill internal audit, 11 findings was observed. All findings was closed on 26th October 2018. The findings discuss include:</p> <ol style="list-style-type: none"> i. Part 1: Details ii. Part 2: Description of Non-conformance iii. Investigation of root cause iv. Corrective action v. Verification (Lead Auditor/ Auditor) 						
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	<p>Among issues raised in the internal audit</p> <ol style="list-style-type: none"> i. There were eight (8) parties that did not attend the stakeholder meeting conducted on 18th October 2018. ii. Reused parts was found exposed at the workshop compound without any barricade. iii. Flowmeter and water usage record was not available iv. Stacking of material at general store was found too high and may cause unstable condition v. The pathway inside the general store was blocked and cause obstruction. vi. The rotating parts (tyre coupling) of the effluent final discharge pump at the effluent pond was found not covered. vii. The bund wall for hexane and isopropyl at the chemical store was found not sufficient to contain potential leakages from the drum. viii. Traces of oil was seen at the diesel tank oil trap drainage outlet. ix. The discharge flowmeter reading from the effluent final discharge was not systematically recorded. x. The scrap metal was left on the floor without proper housekeeping. xi. Diesel tank at the engine room was found without any container <p>1. Safety and Health Components (Spill kits unavailability & HIRARC for chemical store not available)</p> <p>2. Track Changes in the compliance to legal document.</p> <p><u>Management Review</u> –</p> <p>The management review conducted on 26th October 2018 has the following ; discussed for the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification :</p> <ol style="list-style-type: none"> i. The agenda of this meetings are to review the following: <ol style="list-style-type: none"> a. The status of the matters arising from previous management reviews: b. Changes on any matters relevant to MSPO management system, externally or internally, which covers the followings but not limited to the followings; <ul style="list-style-type: none"> ➤ Environmental and social impacts ➤ New techniques ➤ New technologies ➤ New industry standard ➤ New information on good milling practices. c. The review of existing MSPO Policy and achievement of MSPO objectives; d. Information on the effectiveness of the implementation of the MSPO requirement; <ul style="list-style-type: none"> ➤ Review on conformance, non-conformance and area for
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	<p>improvement based on audit reports</p> <ul style="list-style-type: none"> ➤ Relevant stakeholders feedback and comments. <p>e. The suitability and adequacy of existing resources</p> <p>f. Opportunities for improvement (which covers the changes/ modification/ resources required to ensure continual improvement in areas related to MSPO Principles.</p> <p>Results of corrective action plan can be verified in the Audit Summary Report with reference no.GYPOM/01/10/18</p> <p>It was observed the mill management had taken necessary action to do Improvement and timeline for implementation had taken immediately after audit conduct by the date 24/10/2018.</p> <p><u>Continual Improvement -</u></p> <p>It was observed the action plan for continual improvement was made available in the mill premises. The action plans taken as below:</p> <ul style="list-style-type: none"> i. No water usage monitoring, and action planning taken by management by installed the water flow meters at water treatment plant to quantify water supplied to mill factory and mill domestic. ii. No fire certificate, and action plan taken was fire certificate shall be obtained by write a letter to Jabatan Bomba dan Penyelamat Malaysia Negeri Sarawak, with reference no.: B027/GYSB/BOMBA/LT02 dated 17th August 2018. <ul style="list-style-type: none"> a. Currently there was no reply from Bomba and upgrading of the fire protection system for Gayanis Palm Oil Mill was in progress.
<p>Comment on Principle 2</p>	<p><u>Transparency of documents relevant to MSPO requirements –</u></p> <p>The mill management will communicate all information requested by relevant stakeholders thru mill. This will be based on types of inquiry. All information relating to external stakeholder will be responded by HQ top management.</p> <p>The mill stakeholders communication flowchart was shown during audit Document No : GYPOM 03-TM 03</p> <p>Thee management will communicate with interested stakeholders on information requested and reply accordingly.</p> <p>Latest Stakeholders meeting was recorded on 24th May 2018 and 22th June 2018.</p> <p>Land titles/ user rights.</p> <p>It was observed the mill complex was built within the land title Lot 1 Block 45 Sawai Land District at Sungai Niah with TRN 04-LCLS-030-045-00001, Map Sheet Number: G16-24-1(4.3) under name GAYANIS SENDIRIAN BERHAD.</p> <p>It was observed the safety and health plan 2018 was made available in</p>

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	<p>the premis. The latest training was conduct on 15th October 2018 with training course Work at Height, time 3.00pm, venue: Conference room, facilitator Mr Fabian Wan Jok, attended by 13 persons from various position in mill.</p> <p>Plans and impact assessments relating to environmental and social impact was made available during audit conduct. It was stated in Environmental Aspect and Impact Assessment Register. The list of activities involved as mention below:</p> <ul style="list-style-type: none"> i. Unloading FFB at ramp ii. Sterilization station iii. Threshing station iv. Engine room v. Pressing station EFB Station vi. Clarification station vii. Kernel recovery plant viii. Boiler station ix. Effluent treatment plant x. Workshop xi. Water treatment plant xii. Chemical store xiii. CPO storage tank xiv. Laboratory xv. Lubricant oil store xvi. Scheduled waste store xvii. Diesel skid tank xviii. Canteen <p><u>Transparent method of communication and consultation –</u> The company has established a Procedure on Transparent method with document ref.no: GYPOM-03-TM03/REV0. Based on the procedure the sequence of the SOP as follow:</p> <ul style="list-style-type: none"> i. Identify relevant stakeholders ii. Inform Stakeholder for meeting iii. Conduct stakeholders meeting iv. Develop “Management Plan” for identified “Actions Items” v. Follow up of action needed vi. Status of action taken shall be reviewed in the next stakeholders meeting, unless otherwise specified. <p>The management communicate with stakeholder via letter write up to them. 2 samples taken list as below:</p> <ul style="list-style-type: none"> i. Kirana Palm Oil Refinery (KPOR), dated 9th October 2018 ii. Kunciraya Sdn Bhd, dated 9th October 2018. <p>To invite as Stakeholder Meeting.</p> <p>Appointment letter for person responsible for MSPO matters can be verified in the document name MSPO officers with Document Ref.no.: GYPOM-01-M03/REV0.</p>
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	<p>Records of consultation and communication between mill management and stakeholders had been minutes in the Stakeholder Meeting Minutes with agenda discuss on Safety briefing, Introduction of Malaysian Sustainable Palm Oil (MS2530-4:2013), Briefing on MSPO(MS2530-4:2013) 6 principles, Briefing on GYPOM MSPO policy, Complaint and grievances procedure, comment and suggestion. The meeting was conduct on 18th October 2018.</p> <p>List of internal and external stakeholders can be verified in Stakeholder File 005 it was includes Government agencies, companies, supplier etc.</p> <p><u>Traceability</u> – In the Mill Manual, the document for the implementation and maintenance of the requirements for traceability is documented with reference no.: GYMPOM-03-TM04/ REV0</p> <p>Traceability and Mass Balance It includes the following sections:</p> <ol style="list-style-type: none"> 1) Purpose 2) Scope 3) Responsibilities 4) Definition 5) Procedure <p>They have a flowchart to show how to trace back a delivery form the FFB source.</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements</u> – Compliance to Applicable local state and national law</p> <p>It was observed the machineries validity was up-to-date; Some of the validity list as below under Factories and Machineries Act Perakuan Kelayakan Dandang : FMA 1967 Regulations 10 (2) No Pendaftaran: a)DG-113/2003 b) DG-66/2006</p> <p>MPOB License : No Lesen : 548878104000 Validity : 1/5/2018-30/04/2019 <i>1.License: menjual & mengalih</i> <i>2.Membeli & mengaih</i> <i>3.Menyimpan</i> <i>4.mengilang</i> <i>5.Mengeksport</i></p> <p>DOE Jadual Pematuhan : 03006 Tempoh Lesen: 1 July 2018-30 Jun 2019 Permit Barang Kawalan Berjadual : Q007336 (Diesel)</p>

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	<p>Major 1 (4.3.1.1) Compliance with the applicable laws and regulations was found lacking. It was observed, permit to work for women during night shift was not available.</p> <p><u>Legal land use rights –</u> Gayanis Palm Oil Mill located within Gayanis Sdn Bhd Estate at Lot 1 Block 45 Sawai Land District Overall Area: 12,211.00 hectares Lease of State Land Locality : Sg Serai Niah Classification : Mixed Zone Land Category : Country Land Land register : Date : 22/02/2006 Map Sheet No: G16 -24-1(4.3) Commencement and Expiry Date : 27/02/1995-26/02/2055</p> <p>Mill Complex Area Total Area : 6 ha Total Pond : 6 ponds Treatment Plant : 1 Water Reservoir : 2 Housing Units : 110 units</p> <p><u>Customary Land Rights</u> The legal acquisition was proven via availability of land title from Land and Survey Sarawak.</p> <p>Commencement and Expiry Date : 27/02/1995-26/02/2055</p> <p>Registered Office : Land and Survey Department Sarawak, Miri, date as at: 16.10.2018.</p> <p>Consultant: Sawit Kejuruteraan Sdn Bhd</p>
<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment –</u> Gayanis Palm Oil Mill presented the stakeholders meeting minute, feedback and list of stakeholders attended.</p> <p>The stakeholders meeting has been conducted on 18th October 2018 with only attend by 24 attendees. Noted that total stakeholders are 26. The meeting conducted at Mill office.</p> <p>The meeting discussed on -MSPO certification introduction and briefing -Briefing on grievance procedure</p>

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	<p>-Complaint and grievances procedure</p> <p>The minutes of meeting prepared by Ms Elona Bt Palasek (18.10.2018) and confirmed by: Mr. Jeffery Wong (18.10.2018)</p> <p><u>Complaint and Grievances -</u> It was observed the Standards Operation Procedure for complains and grievances procedure was available, which can refer in file Standard Operation Procedure (SOP).</p> <p>Document No : GYPOM -03-SR02/REV0</p> <p>Days complaint to solved : 30 days Person in charge : Mr Jeffrey Wong Yee Ling</p> <p>Two complaints were recorded and sighted during audit. The record of complaint in File Complaints and Grievance 008</p> <p>i. Mohamad Alim B. Ismail Issue: <i>Sampah jatuh ketika pembuangan sampah disekitar tong sampah tidak dikutip semula oleh pekerja sewaktu kerja pengutipan sampah. Diminta pekerja-pekerja yang terlibat bekerja dengan lebih kemas. Dated 19th October 2018.</i></p> <p>Issue solved on 22nd December 2018 and closed by the complainers.</p> <p>ii. Ding Bakan Issue: <i>Tiada lampu dipasang ditempat letak kenderaan yang baru. Dated 20th October 2018</i></p> <p>Issue solved on 20th October 2018 and closed by the complainers.</p> <p><u>Commitment to contribute to local sustainable developments –</u> Commitment to local sustainable development :</p> <ol style="list-style-type: none"> 1. Community centre for the workers children (Workers). 2. Supply electricity to Estate Estate 1 Div. 3. 3. Supply water to estate 1 Div. 3. 4. Supply electric and water to mill quarter of estate 1 Div. 3. <p><u>Employees health and safety –</u> Safety and health policy was incorporated within MSPO General policy.</p>
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	<p>The Safety and health statement was signed by the Cheng Hua Biew (General Administrative Manager) and Jeffrey Wong Yee Ling (Senior Factory Manager) 1st July 2018</p> <p>Among the safety objective:</p> <ul style="list-style-type: none"> i. To provide and maintain a safe and healthy work environment for all employees. ii. To inculcate awareness of safe and healthy work practices among all employees by providing training and education and ensuring that safety & health procedures are followed. iii. To maintain proper measures for fire prevention, fire protection, fire-fighting and system of evacuation in the event of emergency. <p><u>Employment conditions</u> –</p> <p>In the Gayanis Palm Oil Mill policy on ‘Social and Community Policy ‘ signed by General Administrative Manager (Mr. Cheng Hua Biew) and Senior Factory Manager (Mr Jeffrey Wong Yee Ling) dated :1st July 2018</p> <p>The policy mentioned ‘Respect and Protection of Human Right of employees and eliminate discrimination in employment and promote equal right,”</p> <p>Interview with Ms Elona Bt Palasek shows that she is aware with the policy.</p> <p><u>Training and competency</u> –</p> <p>The occupational safety and health plan known as ‘Annual Training Programme Jan – Dec 2019 ‘ cover the following:</p> <p>There are 27 topics listed in the training which include:</p> <ul style="list-style-type: none"> 1) Grading skills 2) Accident Reporting 3) Register of chemical Hazardous & chemical handling 4) HIRARC 5) ERP 6) First Aid Training 7) Confined space
	<p><u>Environmental management programme</u> –</p> <p>The management has provided Sustainability Policy which included environment component.</p> <p>The policy signed by General Administrative Manager (Mr. Cheng Hua Biew) and Senior Factory Manager (Mr Jeffrey Wong Yee Ling) dated :1st July 2018</p> <p>The policy commits to achieve environmental sustainability by</p>

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- i. Safety and Health
- ii. Environment
- iii. Good Social Practices
- iv. Harassment & Violence Prevention

The management has provided continual improvement plan for Gayanis Palm Oil Mill for 2018.

Item incorporate in the plan are list as below:

It was observed the training record was made available:

- i. Training/ Course: First Aid Training, dated 23rd November 2018, time:2.00 pm, venue GYPOM Conference room, which train by Mr. Mohd Faridzulhasli/ Mr Fabian Wan, attended by 18 attendees.
- ii. Training/ Course: Safety Awareness, dated 7th November 2018, Time: 7.00 am, venue at FFB ramp, which train by Mr. Mohd Faridzulhasli, attended by 39 attendees.

The continual improvement plan will be monitored by the mill management through their quarterly meeting

Example: “*Environmental Performance Monitoring Committee (EPMC)*. Dated of meeting 20th December 2018, meeting room of GPOM which attend by “*Ahli Jawatankuasa EPMC Gayanis Palm Oil Mill*”.

The agenda discuss as below:

- i. Environmental Monitoring
- ii. Continual improvement plan in environment: effluent, Scheduled waste and *Pelepasan Asap Boiler*
- iii. New environmental regulatory amendments and implications

Efficiency of energy use and use of renewal energy –

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

Usage of diesel record (Liters)

	2016	2017	2018
Actual	318,681	294,177	318,577
Budget	330,000	330,000	300,000

Increasing usage of diesel due to low crop season where power plant not operation and it is increasing usage of genset to generate power supply.

Waste Management and Disposal

- a) The management show record for its waste products in their 2018 inventories

It was observed the Standard Operating Procedure for handling of used chemicals was made available at the mill premise. The document Name: Chemical Handling with Document ref no.: GYPOM-03-SH06/REV0 dated 1st July 2018.

Location of dumping site was made available within the Gayanis Sdn Bhd Estate 1 Division 3 (Gps reading: 113^o40'29.0" E, 3^o20'17.0"N

During site inspection it was observed there was no scheduled waste inside the dumping site.

It was observed the Waste management plan was made available with document name:

Waste Management, Document Ref.: GYPOM-03-EN03/ REV0.

Types of waste was list as below:

- i. Domestic waste
- ii. Scheduled waste
- iii. Product waste: Empty Fruit Bunches
- iv. Product waste: Mesocarp Fiber
- v. Product waste: Palm Kernel Shell
- vi. Product waste: Palm oil mill effluent (POME)

Product waste: Decanter cake

Reduction of pollution and emission –

The management has provided :

1.Environment Monitoring report (stack- latest : July- December 2017 Stack Emission Monitoring Report

2.Boiler Calibration was made on 9th April 2018 and valid till 8th July 2019.

Waste Management Plan document guidance: GYPOM –03-EN03 / REV0 consists of

- 1.Type of Waste
 - a) Scheduled Waste
 - b) Domestic Waste
 - c) Empty Fruit Bunches
 - d) Mesocarp Fiber
 - e) Palm Kernel Shell

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	<p>f) Boiler Ash g) Pome Oil Mill Effluent (POME) 8) Decanter cake</p> <p><u>Natural water resources –</u></p> <p>The management has provided 1. water testing analysis for drinking water (latest 24th November 2018)</p> <p>From the analysis, it was noted that the domestic water quality was within permit limit for water consumption based on National Water Quality Standard (NWQS) Boiler water monthly (Latest report : December 2018)</p> <p>The monitoring of the implementation of water management plan is overall done by the Mill Manager.</p>																												
<p>Comment on Principle 6</p>	<p><u>Mill management –</u></p> <p>The management has provided Standard operating procedures (SOP) on best management practices for mill. The SOP can be verified in file Standard Operating Procedure (SOP). Some of SOP list as below:</p> <ul style="list-style-type: none"> i. Weighbridge ii. Loading Ramp iii. Reception iv. Sterilizer v. Pengiraan Unstrip bunches (USB) <p><u>Economic and Financial Viability Plan</u></p> <p>The management has provided 5 years production projection for year 2019-2024 (in MT)</p> <table border="1" data-bbox="533 1440 927 1686"> <thead> <tr> <th>Year</th> <th>FFB</th> <th>CPO</th> <th>PK</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>327,000</td> <td>70,305</td> <td>14,715</td> </tr> <tr> <td>2019</td> <td>335,000</td> <td>72,025</td> <td>15,075</td> </tr> <tr> <td>2020</td> <td>345,000</td> <td>74,175</td> <td>15,525</td> </tr> <tr> <td>2021</td> <td>360,000</td> <td>77,400</td> <td>16,200</td> </tr> <tr> <td>2022</td> <td>360,000</td> <td>77,400</td> <td>16,200</td> </tr> <tr> <td>2023</td> <td>360,000</td> <td>77,400</td> <td>16,200</td> </tr> </tbody> </table> <p><u>Transparent and fair pricing dealing –</u></p> <p>The mill management receives FFB from internal supplier and related plantations which under the same group.</p> <p>Document No : GYPOM/HP/18</p> <p>Pricing mechanism:</p> <p>According to mill manager the pricing mechanism for Gayanis POM for FFB purchase are spelt out in the Internal Contract Agreement as it</p>	Year	FFB	CPO	PK	2018	327,000	70,305	14,715	2019	335,000	72,025	15,075	2020	345,000	74,175	15,525	2021	360,000	77,400	16,200	2022	360,000	77,400	16,200	2023	360,000	77,400	16,200
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	<p>receives crop from internal sources.</p> <p>Similarly for the sale of Crude Palm Oil and Palm Kernel Oil are spelt out in the Internal Contract Agreement.</p> <p>Refinery : Kirana Refinery.</p> <p><u>Contractor</u> – The management has provided list of contractors:</p> <ul style="list-style-type: none"> i. Kunciraya Sdn Bhd for transporting of FFB ii. Guardian Weighing Sdn Bhd iii. PMT Industries Sdn Bhd iv. Sime arby Industrial Sdn Bhd <p>The sign of agreement mentioned on MSPO compliances was sighted in the addendum of the contract agreement</p> <ul style="list-style-type: none"> • Contract agreement. • Work completion certificate. • Payment report.
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7. Nonconformities

MS2530-4:2013 Part 4

Non- Conformity	N° 1 of 1		Major 1			
	Date Recorded>	7 th January 2019	Due Date>	7 th March 2019	Date Closed>	30 th January 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 4 4.3.1.1	
Document Ref.:	Criterion 1: Regulatory Requirements		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Compliance with the applicable laws and regulations was found lacking.					
Objective Evidence:	It was observed, permit to work for women during night shift was not available.					
Close-out evidence:	The mill management had taken necessary action to ensure all women working during night shift obtain an approval from Jabatan Tenaga Kerja. Please refer Attachment below.					

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GAYANIS SDN BHD (244586-H)

Level 2, Wisma Rela Aman, Lot 1301, Block 9, MCLD Miri Waterfront, 98000 Miri, Sarawak, Malaysia
 TEL: 085-426798 FAX: 085-416578

9th January 2019

Penolong Kanan Pengarah Tenaga Kerja
 Pejabat Tenaga Kerja
 Tingkat 3, Wisma Persekutuan Block II
 Jalan Gartak
 98000 Miri

Puan,

PER : PERMIT WANITA KERJA MALAM

Merujuk kepada perkara di atas, pihak kami ingin memohon Permit Wanita Kerja Malam untuk pekerja wanita yang bekerja di waktu malam.

Ini adalah kerana terdapat shift kerja di kilang kami yang memerlukan tenaga kerja wanita bagi memproses minyak kelapa sawit.

Diharap permohonan kami ini mendapat pertimbangan daripada pihak tuan.

Sekian dan terima kasih.

Yang benar,
 GAYANIS SDN BHD




CHENG HUA BIEW
 General Administrative Manager



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Nonconformities detailed here shall be addressed through the organization's corrective action process, in accordance with the relevant corrective action requirements of the audit standard, including actions to analyse the cause of the nonconformity and prevent recurrence, and complete records maintained.

- Corrective actions to address identified major nonconformities shall be carried out immediately and SGS notified of the actions taken within 30 days. An SGS auditor will perform a **follow up visit** within 60 days to confirm the actions taken, evaluate their effectiveness, and determine whether certification can be granted or continued.
- Corrective actions to address identified major nonconformities shall be carried out immediately and **records with supporting evidence sent to the SGS auditor** for close-out within 60 days.
- Corrective Actions to address identified minor non conformities shall be documented and sent by the client to the auditor within 9 months before next schedule annual surveillance for review. If the actions are deemed to be satisfactory they will be followed up at the next scheduled visit.
- Corrective Actions to address identified minor non-conformities have been detailed on an action plan and the intended action reviewed by the Auditor, deemed to be satisfactory and will be followed up at the next scheduled visit.
- Appropriate immediate action taken in response to each non-conformance as required.

Note:- Initial, Re-certification and Extension audits – recommendation for certification cannot be made unless check box 4 is completed. For re-certification audits the time scales indicated may need to be reduced in order to ensure re-certification prior to expiry of current certification.

Note: At the next scheduled audit visit, the SGS audit team will follow up on *all* identified nonconformities to confirm the effectiveness of the corrective actions taken.

8. General Observations & Opportunities for Improvement

Positive Observations:

- The support from Gayanis 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 management should review the Standard Operation Procedure (SOP) for monitoring and continues improvement accordingly to ensure all aspect of the operation covered. Including grievance & complains SOP, safety & health SOP and domestic waste management SOP.

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Appendix 2: List of Stakeholders Interviewed

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Robin Ling Ing Kit Salesman SLS East Malaysia Sdn Bhd (Branch Bintulu) Supplier Spare- part (5 years)	External	NIL	Currently there is no issue with the mill operation. Any spare part supply to the mill will be paid accordingly
Kirana Palm Oil Refinery Sdn Bhd	External	NIL	All of the CPO tanker equip with GPS and monitored by HQ.
WWF <u>Interview via phone call</u> WWF-Malaysia (Sarawak Office) Tel: 082-247420/ 257420 Interview via phone (time call: 1 st Call: 2.26pm)	External	NIL	NIL
Jabatan Keselamatan Kesihatan dan Pekerja (JKKP) Mr Hafiz Pemerisa kilang dan jentera 012 5399896, Call: 1422pm (No Answer)	External	NIL	NIL
Department of Environment (DoE) Mr. Rosdy 013 8494242	External	No Issue	No Issue
Nabbir Laboratory Mr. Frankie Lau Director 082-625 799	External	No issue	No Issue

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Signed on behalf of Gayanis Sdn Bhd	Signed on behalf of SGS Malaysia Sdn Bhd
<p data-bbox="156 568 703 640">GAYANIS SDN. BHD. (244586-H) Palm Oil Mill</p>  <p data-bbox="379 743 695 779">..... Senior Factory Manager</p> <p data-bbox="295 891 555 949">Jeffrey Wong Y.L. Senior Factory Manager</p>	 <p data-bbox="949 878 1230 963">Mr Dickens Mambu (Head of Certification EM) Lead Auditor</p>

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