

Harn Len Pelita Bengunan Sdn Bhd Audit Summary Report

Organization:	Harn Len Pelita Bengunan Sdn Bhd			
Address:	<u>Headquarters Address</u> Wisma Harn Len, No 18, Lot 1634, Section 64, KTLD, Jalan Mendu 5, 93200 Kuching Sarawak. Contact person.: Mr. Soon Hon Jiun (MSPO Compliance Officer cum Management Representative) Contact No.: 014 685 9987 Phone No : 082-895829 Email: soon.masranti@gmail.com <u>Estate Address</u> Kara Rangua Engkaramut NCR Land Development Area, Bukit Bengunan, Sri Aman, Sarawak.			
	Standard(s):	MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders	Accreditation Body(s): DEPARTMENT STANDARDS MALAYSIA (DSM)	
Representative:	Mr. Soon Hon Jiun			
Site(s) audited:	Harn Len Pelita Bengunan Sdn Bhd	Date(s) of audit(s):	18 th June 2019	
EAC Code:	Nil	NACE Code:	Nil	
Lead auditor:	Abdul Khalik Bin Arbi (AKA)	Additional team member(s):	Jeffrey Denis Ridu (JDR)	
		Trainee Auditor:	Jiram Sidu (JS)	

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**

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	1 of 21

Validation of processes for production and service provision

Has this scope been amended as a result of this audit? ☐ Yes ☒ No

This is a multi-site audit and an Appendix listing all relevant sites and/or remote locations has been established (attached) and agreed with the client ☐ Yes ☒ No

3. Current audit findings and conclusions

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

The structure of the audit was in accordance with the audit plan and audit planning matrix included as annexes to this summary report.

The audit team concludes that the organization ☒ has ☐ has not established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 6 Major 0 Minor

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

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

4. Previous Audit Results

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

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

5. Audit Findings

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

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

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	2 of 21

- 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:	Harn Len Pelita Bengunan Sdn Bhd			
Address	<u>Headquarters Address</u> Wisma Harn Len, No 18, Lot 1634, Section 64, KTLD, Jalan Mendu 5, 93200 Kuching Sarawak. Contact person.: Mr. Soon Hon Jiun (MSPO Compliance Officer cum Management Representative) Contact No.: 014 685 9987 Phone No : 082-895829 Email: soon.masranti@gmail.com <u>Estate Address</u> Kara Rangua Engkaramut NCR Land Development Area, Bukit Bengunan, Sri Aman, Sarawak.			
	MPOB License No.:	513422002000	Expiry date:	01/07/2019 – 30/06/2020
Scope of Activity:	Menjual dan Mengalih FFB#	Next Surveillance Audit	April 2020	
Visit Number:	02 (Stage 2)	Actual Visit Date:	18 th June 2019	
Visit Due by Date:	Nil	For auditor information only		
Lead Auditor :	Abdul Khalik Bin Arbi (AKA)			

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	3 of 21	

Audit Member	Jeffrey Denis Ridu (JDR)
Additional Attendees and Roles	Jiram Sidu (Trainee Auditor)
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.

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	4 of 21

Audit Plan

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
18 th June 2019	6.30 am	AKA & JS JDR	Meet at meeting point: <ul style="list-style-type: none"> • INFRA, Samarahan • Siburan 	Estate Personnel
	6.30 am		Depart to Harn Len Pelita Bengunan Sdn Bhd 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 • Principle 7: Development of New Plantings 	
	12.30pm		Lunch	
	1.00pm		Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	4.00pm		Preparation for closing	
	5.00pm		Closing Meeting	
	6.00pm		Depart to Kuching	

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	5 of 21

Location and Maps

The Plantation area is located in the Simunjan District of Samarahan Division, Sarawak, near the district boundary between Serian and Simunjan District. It is found in the upstream area of Sg. Simunjan i.e the Sg Simunjan Kanan- Sg. Stabu area. There are two roads approaching the Project Area. One is heading towards the eastern boundary (Bt Punda Road) and one is heading towards the southern boundary (Semada Road). The eastern boundary is represented by Sg. Stabu and this river can be accessed by longboats.



Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	6 of 21	

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

Table 1: GPS Location

Supply Base / Estates:	Location Address:	GPS Coordinate(s):	Area Certified(HA):
Harn Len Pelita Bengunan Sdn Bhd	Kara Rangua Engkaramut NCR Land Development Area, Bukit Bengunan, Sri Aman, Sarawak	N 1°6'42.901" E 111°15'28.198"	3,507.52

Description of Estate Production

The FFB production for Harn Len Pelita Bengunan Sdn Bhd is shown in **Table 2** below.

Table 2: FFB Production

Month	Harn Len Pelita Bengunan Sdn Bhd (Mt)	
	2018 (Actual)	2019 (Projection)
January	4,759.31 mt	*3,403.60 mt
February	3,752.11 mt	*2,737.16 mt
March	4,307.02 mt	*2,683.12 mt
April	4,392.53 mt	*2,686.85 mt
May	4,795.56 mt	*2,399.10 mt
June	5,192.81 mt	6,000 mt
July	5,730.07 mt	6,750 mt
August	6,821.25 mt	8,250 mt
September	6,498.18 mt	8,259 mt
October	6,199.06 mt	7,500 mt
November	4,522.94 mt	7,050 mt
December	4,105.69 mt	6,000 mt
Total	61,076.53 mt	63,718.83 mt
<i>*Actual</i>		

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/8a1f5680d7fd4f28b576a57b2b4c8a18.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 1:**

Comment on MS2530-3 Compliance Status:

Comment on Principle 1	<p><u>Policy on Implementation of MSPO</u> – MSPO Policy was available, displayed and implemented. Policy was in dual language (BM & English), which was signed by Mr. Low Kuok Shin, Managing Director, dated 6th July 2018.</p> <p>In the policy, the company was committed to:</p> <ol style="list-style-type: none"> 1. Sustainable oil palm development in accordance to principles in Malaysia Standard MS 2530: Part 3 – General Principles for Oil Palm Plantations and Organized Smallholders. 2. Ensure continuous improvement to the management of sustainable oil palm development. <p><u>Internal Audit</u> Internal audit was conducted on 7th & 8th May 2019. Document record sighted:</p> <ul style="list-style-type: none"> ➤ Internal Audit Plan ➤ Attendance List ➤ Audit Summary Report ➤ Corrective Action Request Form <p>Title: Internal Audit Control No.: HLPBSB-L3-TM-01</p> <p><u>Management Review</u> MAJOR 1 It was observed the management review report was not comprehensive, as the time period to carry out the mitigating measures arisen from the internal audit was too short. Internal audit was carried out on 15/05/2019 and Management review on 16/05/2019.</p> <p><u>Continual Improvement</u> - It was observed the Training Plan (Control No. HLPBSB-L5-HR-05) for Year 2019 was available. Sighted Personnel Training Record (Control No. HLPBSB-L5-HR-02) complete with Training Effectiveness Evaluation.</p>
------------------------	---

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	8 of 21

<p>Comment on Principle 2</p>	<p><u>Transparency of information and documents relevant to MSPO requirements</u> The grievances and complaints form and box were available and placed at front office. Currently no complaints received. Website : www.harnlen.com.my</p> <p><u>Transparent method of communication and consultation</u> It was observed the SOP was available in Transparent Method (Control No. HLPBSB-L3-TM-04) established on January 2019. The communication between stakeholders and the management can be done through:- a) Stakeholders meeting b) Complaint and grievance form</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements</u> It was observed the estate comply with applicable local, state, national and ratified international laws and regulations. The updating will be done by Mr Anthony Mering as an appointed Legal Officer dated 21st January 2019. All of the legal requirements register was printed and documented.</p> <p><u>Land Use Rights</u> The management operation was operated under Joint Venture Agreement which was known as NCR Project which consisted of 9 Batches. Detail listing was documented in file "Master List of Projek Pembangunan Tanah NCR (Kara,Ran/Gua,Engkaramut Blok).</p> <p><u>Customary Rights</u> 1. Letter Of Indemnity for Batch 9 e.g. Abang Ak Nyambang (l.c. 521228-13-6013) with area 13ha and upfront payment RM1560 paid by cash on 30.8.18 (Payment Voucher : P/V no. IP/B9/035). 2. Surat Pengesahan Peserta Projek Harn Len Pelita Bengunan S/B, Sri Aman. E.g. Christ Ak Ipa -I.C 821115-13-5692. (Refer letter Pelita Holdings S/B, Rujukan : Pelita/AG/Sa-4 Vol.7(28) dated 19.7.18. Area : 2 hectare. Refer map : Kara & Ran-Gua Block (Claimed NCR Land – 1st August 2005) Drawing no. : PSTS/2005/006-04 Payment : RM300 dated 11.12.18 (Ref. Payroll Detail -CIP1DEC2018). 3. Landowner Listing available e.g. in "Senarai Peserta Projek Dari Rr. Barang Ak Sendong Kawasan Kara Atas, Sri Aman for Batch 9.</p>

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	9 of 21

<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment (SIA)</u> MAJOR 2 It was sighted Social Impact Assessment report was available with title SOCIAL ASSESSMENT, Control No.: HLPBSB-L5-SR-02, however, it was not comprehensive, as it was mere statement with no reflect on social aspect of surrounding community and plantation itself.</p> <p><u>Complaints and grievances</u> The Grievance and Complaint form and box were made available at the front of estate office. It was observed the Standard Operation Procedures (SOP) was available on site (Doc: HLPBSB-L3-SR-01).</p> <p><u>Commitment to contribute to local sustainable development</u> It was observed records on CSR projects was available in Stakeholder List and Stakeholder Meeting File.</p> <p><u>Employees safety and health</u> Occupational Safety and Health Policy was displayed at Estate office and filing. OSH Policy signed by Managing Director and Deputy Managing Director on 22nd March 2019. It was observed safety and health policy was communicated via display at the site office, workers camp and during morning muster. It was done via dual language (English and Bahasa Melayu).</p> <p>Sabaria Bin Haji Sujaidi, as Safety and Health Officer dated of appointment 14th March 2019 by Mr Desmon Batin (Senior Estate Manager).</p> <p>MAJOR 3 Implementation of safety and health aspects were found lacking as evident in the following: (1) It was observed that oxygen tanks were not properly secured. (2) The roofing of the toilets at the labour line were not maintained and can be a safety hazard for the toilet users.</p> <p><u>Employment Conditions</u> It was observed, policy available dated 06 July 2018 by Director Low Kueck Shin. It was observed that minimum wage policy are compiled to.</p> <p>Workers quarters are provided and during site inspection, it was found comfortable and in appropriate condition.</p> <p>During interview, workers are also satisfied with the condition of their quarters provided by the organisation.</p> <p><u>Training and Competency</u> Training needs of workers were accessed through training matrix and training needs analysis based on work site or department. The documents were observed during audit. The top management will provide the resources and arrange the training program implementation.</p>
-------------------------------	--

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	10 of 21

Comment on Principle 5	<p><u>Environmental Management Plan</u></p> <p>MAJOR 4</p> <p>In the EIA approval conditions, under item.: 6. Control of Water Pollution (e) The analyses of pesticides/ herbicides shall be carried out at six (6) months interval after the proposed project has been implemented and it shall include both surface water and sediment analyses.</p> <p><u>Efficiency of energy use and use of renewable energy</u></p> <p>Energy Consumption Spreadsheet (Form No. HLPBSB-L5-EN-02 - maintained monthly and relate to FFB Delivery to monitor its Energy Efficiency</p> <p>Electricity Supply for staff's quarters was supplied from Sarawak Energy Berhad (SEB).</p> <p><u>Waste management and disposal</u></p> <p>MAJOR 5</p> <p>It was observed waste management plan document control no.: HLPBSB-L4 EN-04 was made available in the management record. However, identifying and monitoring sources of waste and pollution was not clear.</p> <p><u>Reduction of pollution and emission</u></p> <p>MAJOR 6</p> <p>Implementation of action plan to reduce identified significant pollutants and emissions was found lacking: (1) It was observed waste management plan document control no.: HLPBSB-L4 EN-04 was made available in the management record. However, identifying and monitoring sources of waste and pollution was not clear. Oil spillages was found at the genset for the labour quarters.</p> <p><u>Natural water resources</u></p> <p>The water quality of the river is monitored by 4 Water Sampling Points at HPL1, HPL2, HPL3 and HPL4.. Water quality monitoring is conducted quarterly by consultant appointed by estate management.</p> <p><u>Status of rare, threatened, or endangered species and high biodiversity value area.</u></p> <p>High Conservation Area is none existence as all the surrounding areas have been planted with Oil Palm by other Estates.</p> <p>No fishing and hunting is allowed in the Estate, and the notices to that effect are displayed at their Notice Boards.</p> <p><u>Zero Burning Practices</u></p> <p>It was observed the estate was practicing zero burning policy in the estate. The SOP for planting and replanting was available and practice on site. Open burning for solid wastes is not allowed and informed through Notice Boards/Signages.</p>
Comment on Principle 6	<p><u>Site Management</u></p> <p>Harn Len Pelita Bengunan Sdn Bhd has Standard operating procedures or GAP which outlines the best management practices. Examples are (1) Planning Control No. HLPBSB-L4-PL-01 dated Jan 2019; (2) Harvesting Ref No HLPBSB-L4-PL-13 and (3) Manuring Ref No HLPBSB-L4-PL-16. SOP examples as follows: (1) Scheduled waste, Control No: HLPBSB-L4 EN-01; (2) Waste Management Plan control No: HLPBSB-L4 EN-04.</p>

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	11 of 21	

	<p>Refer to Standard of Procedure File. <u>Economic and Financial Viability Plan</u> FFB production projection Forecast crop year annually sighted. FFB forecast for 2019: 75,000 MT</p> <p>Estate Manager, Mr Anthony have monitored the operational performance against Key Performance Indicators or Targets (FFB yield, productivity)</p> <p>Meeting on Key Performance Indicators or Targets is done at HQ</p> <p><u>Transparent and fair price dealing</u> Pricing mechanism set by HQ.</p> <p>Based on contracts agreed between contractors/service providers and OPE it is evident that all parties understand the contractual agreements they enter into and that contracts are fair, legal and transparent. Records of payments to contractors are paid within the period specified in contract agreement.</p> <p><u>Contractor</u> MSPO Terms & Conditions for Contractor seen for Harn Len Pelita Bengunan Sdn Bhd. Contract agreements are signed between contractors and Harn Len Pelita Bengunan Sdn Bhd. The terms and conditions of the contract are explained to contractor. A copy of the contract is given to the contractor.</p>
--	---

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	12 of 21

7. Nonconformities

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

Non Conformity	N° 1 of 6		Major 1			
	Date Recorded>	18 th June 2019	Due Date>	18 th Aug 2019	Date Closed>	26 th July 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.1.3.1	
Document Ref.:	Criteria 3: Management Review		Issue / Rev. Status:		Closed	
Details of Nonconformity:	The implementation of management review was found lacking.					
Objective Evidence:	It was observed that the management review report was not comprehensive, as the time to carry out the mitigating measures arisen from the internal audit was too short. Internal audit was carried out on 7/5/19 and Management review on 8/5/19.					
Close-out evidence:	Management review meeting has been conducted on 9 th July 2019. Kindly find the attachment of attendance list, minutes meeting and agenda (Appendix 2, 3 & 4 respectively).					

Non Conformity	N° 2 of 6		Major 2			
	Date Recorded>	18 th June 2019	Due Date>	18 th Aug 2019	Date Closed>	26 th July 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.1.1	
Document Ref.:	Criteria 1: Social Impact Assessment (SIA)		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Social impact Assessment was found inadequate.					
Objective Evidence:	It was sighted Social Impact Assessment report was available with title SOCIAL ASSESSMENT, Control No.: HLPBSB-L5-SR-02, however, it was not comprehensive, as it was mere statement with no reflect on social aspect of surrounding community and plantation itself.					
Close-out evidence:	An action plan has been carried out with the following program. Social Liaison Officer seek to meet relevant stakeholders to gather information as per request. Estimated documentation establishment will be compounded at early November 2019.					

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	13 of 21	

Non Conformity	N° 3 of 6		Major 3			
	Date Recorded>	17 th June 2019	Due Date>	17 th Aug 2019	Date Closed>	26 th July 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.4.2	
Document Ref.:	Criteria 4: Employees safety and health		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Implementation of safety and health aspects were found lacking.					
Objective Evidence:	Evidence as follows: 1. It was observed that oxygen tanks were not properly secured. 2. The roofing of the toilets at the labour line were not maintained and can be safety hazard for the toilet users.					
Close-out evidence:	1. Oxygen tank has been tidied and secured accordingly to avoid any hazard. 2. Roofing of labour line has been repaired and periodically checked to ensure in good condition (Refer to attachment Appendix 5).					

Non Conformity	N° 4 of 6		Major 4			
	Date Recorded>	17 th June 2019	Due Date>	17 th Aug 2019	Date Closed>	26 th July 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.1.3	
Document Ref.:	Criteria 1: Environmental management plan		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Implementation of environmental aspect was found lacking.					
Objective Evidence:	In the EIA approval conditions, under item.: 6. Control of Water Pollution (e) The analyses of pesticides/ herbicides shall be carried out at six (6) months interval after the proposed project has been implemented and it shall include both surface water and sediment analyses. Based on EMR report for year 2018, the parameter only analysed on pesticides/ herbicides once a year in 2018 (2nd Quarter 2018), which is a failure to comply with EIA approval condition.					
Close-out evidence:	Harn Len Pelita Bengunan Sdn Bhd has identified that based on year 2018 record, analyses was carried out twice a year. (Refer to attachment Appendix 6).					

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	14 of 21	

Non Conformity	N° 5 of 6		Major 5			
	Date Recorded>	18 th June 2019	Due Date>	18 th Aug 2019	Date Closed>	26 th July 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.3.2	
Document Ref.:	Criteria 3: Waste management and disposal		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Identification and monitoring sources of waste and pollution was found not comprehensive.					
Objective Evidence:	1. It was observed waste management plan document control no.: HLPBSB-L4 EN-04 was made available in the management record. However, identifying and monitoring sources of waste and pollution was not clear.					
Close-out evidence:	Procedure to be reviewed and amended. Tentative date of solution by 10 th August 2019. Refer to Appendix 7 .					

Non Conformity	N° 6 of 6		Major 6			
	Date Recorded>	18 th June 2019	Due Date>	18 th Aug 2019	Date Closed>	26 th July 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.4.2	
Document Ref.:	Criteria 4: Reduction of pollution and emission		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Implementation of action plan to reduce identified significant pollutants and emissions was found lacking.					
Objective Evidence:	1. Oil spillages was found at the genset for the labour quarters					
Close-out evidence:	Request budget from top management for bund wall and sump pit installation at labour line genset area.					

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	15 of 21	

8. General Observations & Opportunities for Improvement

Positive Observations:

- The support from Harn Len Pelita Bengunan 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 staff 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 tackled in appropriate method.
- The management should appoint suitable person to implement and maintain the traceability system to ensure all documents recorded.
- Action taken on complaints and grievance by stakeholders should be highlighted and discussed.
- Safety and health practices should be fully implemented.
- All waste products and sources of pollution are to be identified and documented accordingly.

Appendix 1: List of Stakeholders Interviewed

Stakeholder	Issue Raised	Remarks
Mr Nizamudin MPOB Putrajaya Tel: 013 374 4818	No issue raised	Nil
Mr Lee Kim Lung Masranti Palm Oil Mill Tel: 014 393 1116	No issue raised	Good rapport with estates.
Ketua Kampung Wing Ak Tutong Local Community	No issue raised	Good relationship with the estates.
Ms Wilma Employee	No issue raised	Nil
Ms Andrea Chin	No issue raised	Nil

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	16 of 21	

Appendix 3 :

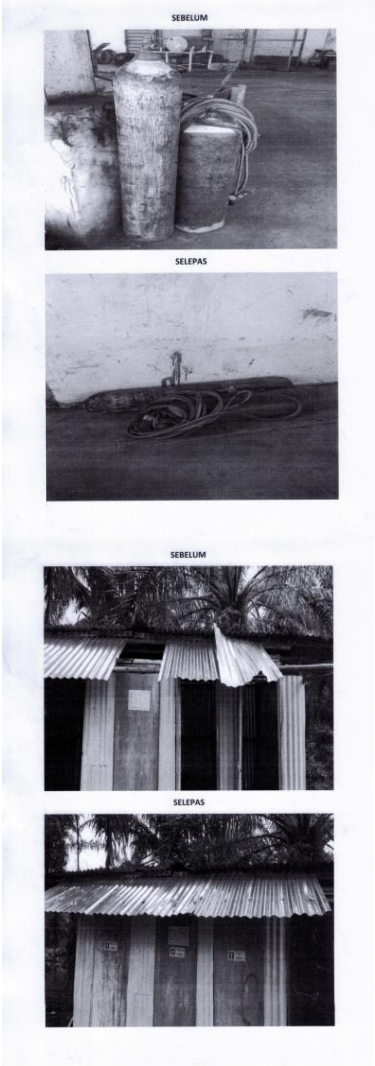


Appendix 4 :



Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	18 of 21

Appendix 5 :



Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	19 of 21

Appendix 6 :

Table 1: Results of Water Quality Analysis									
Parameter	Compliance Limit ^a	2014 APR mg/L	2015 APR mg/L	2016 APR mg/L	2017 APR mg/L	2018 APR mg/L	2019 APR mg/L	2020 APR mg/L	Remarks & Recommendations
pH	6.5-8.5	6.8	6.8	6.8	6.8	6.8	6.8	6.8	All pH levels were within the 6.5-8.5 range, indicating good water quality.
DO (mg/L)	5.0	5.2	5.2	5.2	5.2	5.2	5.2	5.2	DO levels were consistently above 5.0 mg/L, indicating good oxygenation.
Temperature (°C)	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	Temperature was stable at 15.0°C, within the acceptable range.
TSS (mg/L)	50	10	10	10	10	10	10	10	TSS levels were low, indicating good water clarity.
Ammonia Nitrogen (mg/L)	0.5	0.2	0.2	0.2	0.2	0.2	0.2	0.2	Ammonia levels were low, indicating good water quality.
Nitrate Nitrogen (mg/L)	10.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	Nitrate levels were low, indicating good water quality.
Phosphate (mg/L)	0.1	0.05	0.05	0.05	0.05	0.05	0.05	0.05	Phosphate levels were low, indicating good water quality.
Calcium (mg/L)	100	100	100	100	100	100	100	100	Calcium levels were stable, indicating good water quality.
Magnesium (mg/L)	30	30	30	30	30	30	30	30	Magnesium levels were stable, indicating good water quality.
Total Hardness (mg/L)	130	130	130	130	130	130	130	130	Total Hardness was stable, indicating good water quality.
Chloride (mg/L)	100	100	100	100	100	100	100	100	Chloride levels were stable, indicating good water quality.
Sulfate (mg/L)	100	100	100	100	100	100	100	100	Sulfate levels were stable, indicating good water quality.
Total Dissolved Solids (mg/L)	1000	1000	1000	1000	1000	1000	1000	1000	Total Dissolved Solids were stable, indicating good water quality.
Electrical Conductivity (µS/cm)	1000	1000	1000	1000	1000	1000	1000	1000	Electrical Conductivity was stable, indicating good water quality.
Residual Chlorine (mg/L)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	Residual Chlorine levels were stable, indicating good water quality.

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL		Document:	GP 7003A	Issue n°:	10	Page n°:	20 of 21

Table 3: Results of Water Quality Analysis



Parameter	Sampling Point	2019				2018				2017				Remarks & Remediation Action
		Jan	Feb	Mar	Apr	Jan	Feb	Mar	Apr	Jan	Feb	Mar	Apr	
pH	10000	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	pH and TDS levels were found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Temperature	10000	27	27	27	27	27	27	27	27	27	27	27	27	Temperature was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Conductivity	10000	150	150	150	150	150	150	150	150	150	150	150	150	Conductivity was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Dissolved Oxygen	10000	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	Dissolved Oxygen was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Total Hardness	10000	150	150	150	150	150	150	150	150	150	150	150	150	Total Hardness was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Calcium Hardness	10000	100	100	100	100	100	100	100	100	100	100	100	100	Calcium Hardness was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Magnesium Hardness	10000	50	50	50	50	50	50	50	50	50	50	50	50	Magnesium Hardness was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Total Solids	10000	150	150	150	150	150	150	150	150	150	150	150	150	Total Solids was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Dissolved Solids	10000	100	100	100	100	100	100	100	100	100	100	100	100	Dissolved Solids was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.
Suspended Solids	10000	50	50	50	50	50	50	50	50	50	50	50	50	Suspended Solids was found to be within the range of natural background levels and within the limits of the Malaysian Standard MS 1522:2012 for drinking water.

Appendix 7 :



HLPBSB-L4-EN-04 (Waste Management Plan).pdf

The Corrective Action Form Acknowledgement

Signed on behalf of Harn Len Pelita Bengunan Sdn Bhd	Signed on behalf of SGS Malaysia Sdn Bhd
 <p>Mr Soon Hon Jiun MSPO Compliance Officer 18th June 2019</p>	 <p>Mr. Abdul Khalik Bin Arbi Lead Auditor 18th June 2019</p>

Job n°:	MY05253	Report date:	18.06.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	21 of 21	