

MY05223

## Alambumi Palm Oil Mill Sdn. Bhd. Audit Summary Report

<b>Organization:</b>	<b>Alambumi Palm Oil Mill Sdn. Bhd.</b>		
<b>Address:</b>	<u><b>Alambumi Palm Oil Mill Sdn. Bhd. (HQ)</b></u> Lot 2370-2371, 1 <sup>st</sup> Floor, Boulevard Commercial Centre, Jalan Pujut-Lutung, 98000 Miri, Sarawak. Contact Person: Mr Teng Keon (Group Admin and Account Manager) Tel: 085-429319 Fax: 085-438319/ 428319  <u><b>Alambumi Palm Oil Mill Sdn. Bhd.</b></u> Lot 79, Sawai Land District, KM 112, Jalan Miri-Bintulu, 98000 Miri, Sarawak		
<b>Standard(s):</b>	<b>MS2530-4 : Part 4 : General principles for Palm Oil Mills</b>	<b>Accreditation Body(DSM): DEPARTMENT STANDARDS MALAYSIA</b>	
<b>Representative:</b>	<b>Mr. George Anak Akam (Senior Mill Manager)</b> <b>Mr. Lau Sie Nguong (Operation Manager, HQ)</b>		
<b>Site(s) audited:</b>	<b>Alambumi Palm Oil Mill</b>	<b>Date(s) of audit(s):</b>	<b>30<sup>th</sup> January 2019</b>
<b>Visit Type:</b>	<b>MSPO Audit Stage 2</b>	<b>Type of Certification Assessment</b>	<b>Main Audit</b>
<b>Lead auditor:</b>	<b>Dickens Mambu (DM) (LA)</b>	<b>Additional team member(s): Audit Member (AM)</b>	<b>Abdul Khalik (AK) (AM)</b>
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

The audit covered one site performing certification scope:

**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**

Validation of processes for production and service provision

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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 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: 3 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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<b>MPOB License No.:</b>	<b>509026404000</b>	<b>Expiry date:</b>	<b>1.08.2018 – 31.07.2019</b>
<b>Scope of Activity:</b>	1. Menjual dan mengalih (FFB, PK, CPO, SPO) 2. Membeli dan mengalih (FFB, PK, CPO) 3. Menyimpan (PK, CPO, SPO) 4. Mengilang (FFB)		
<b>Date of certificate issued and validity</b>	<b>Nil (New application)</b>		
<b>Other Sustainability Certification</b>	<b>Nil</b>		
<b>Proposed date of next surveillance audit</b>	<b>November 2019</b>		
<b>Visit Number:</b>	<b>02 (Stage 2)</b>	<b>Actual Visit Date:</b>	<b>30<sup>th</sup> January 2019</b>
<b>Visit Due by Date:</b>	<b>Nil</b>	<b>For auditor information only</b>	
<b>Lead Auditor:</b>	Dickens Mambu (DM)		
<b>Team Member(s):</b>	Abdul Khalik Arbi (AKA)		
<b>Additional Attendees and Roles</b>	Nil		
<b>Standard(s):</b>	<b>MS2530-4 : Part 4 : General principles for Palm Oil Mills</b>		

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<b>Audit Language:</b>	English & Malay
<b>Audit Scope:</b>	<p>1.The audit covered One (1) site performing the following scope: Operations, comprising of plantation management systems, production of Fresh Fruit bunches (FFB), Production of Crude Palm Oil (CPO) and Palm Kernel (PK), documentation and field assessment.</p> <p>2.The audit covered all the MS2530-4:2013 Part 4 requirements with no permissible exclusion of clause in compliance to the MSPO Certification Standard</p>

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## Audit Plan

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
29 <sup>th</sup> Jan 2019	11.20 pm	DM/AK	Arrived to Miri Airport	Mill Personnel
30 <sup>th</sup> Jan 2019	7.00 am	DM/AK	Depart to Mill  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> </ul>	Mill Personnel
	12.30pm		Lunch	
	1.00 pm		Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	4.00 pm		Preparation for closing	
	5.00 pm		Closing Meeting	
	6.00 pm		Depart to Miri Airport	

### Notes to Client:

- Times are approximate and will be confirmed at the opening meeting prior to commencement of the audit.
- SGS auditors reserve the right to change or add to the elements listed before or during the audit depending on the results of on-site investigation.
- A private place for preparation, review and conferencing is requested for the auditor's use.
- Please provide a light working lunch on-site each audit day.
- Your contract with SGS is an integral part of this audit plan and details confidentiality arrangements, audit scope, information on follow up activities and any special reporting requirements.

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Location and Maps

The GPS locations of the mill is shown in Table 1.

**Table 1: Alambumi Palm Oil Mill GPS Location**

<b>Mill:</b>	<b>Location Address:</b>	<b>GPS Coordinate(s):</b>	<b>Mill Capacity:</b>
Alambumi Palm Oil Mill	Lot 79, Sawai Land District, KM 112, Jalan Miri-Bintulu, 98000 Miri, Sarawak	3°35'9"N 113°40'11"E	80mt/hr

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**Alambumi Palm Oil Mill Locality Map**



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### Description of Production Summary

The production are sourced from the estate which are directly managed by parent company related with Alambumi Palm Oil Mill Sdn. Bhd. The crop yield from the estate as mention in **Table 2** below.

**Table 2: Production Summary 2018**

MONTH	FFB PROCESSED (MT)	CPO PRODUCED (MT)	PK PRODUCED (MT)	OER (%)	KER (%)
JANUARY	42,514.32	8,067.15	1,968.07	18.98	4.63
FEBRUARY	38,572.33	7,328.33	1,801.86	19.00	4.67
MARCH	46,657.83	9,022.30	2,121.96	19.34	4.55
APRIL	49,534.88	9,720.54	2,239.12	19.62	4.52
MAY	48,736.47	9,566.04	2,099.71	19.63	4.31
JUNE	42,947.79	8,461.12	1,730.16	19.70	4.03
JULY	48,184.27	9,125.11	1,898.57	18.94	3.94
AUGUST	50,584.21	9,913.03	2,152.19	19.60	4.25
SEPTEMBER	53,382.31	10,363.17	2,304.82	19.41	4.32
OCTOBER	54,780.22	10,747.79	2,646.01	19.62	4.83
NOVEMBER	48,747.79	9,498.57	2,240.65	19.49	4.60
DECEMBER	41,862.07	7,973.85	1,873.29	19.05	4.47
YEAR TO DATE 2018	566,068.49	109,787.00	25,076.41	19.39	4.43

**Table 3: Budget For Year 2019**

FFB PROCESS (MT)	CPO PRODUCE (MT)	PK PRODUCE (MT)	OER (%)	KER (%)
471,546.00	91,951.47	21,219.57	19.50	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/-/media/C5C1475FDDB44F4C8C81738BC8D5AFC2.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 estate office. Detail can be referred to **Appendix 1**:

Comment on MS2530-4 Compliance Status:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u>            The MSPO Policy was sighted available as per MSPO requirement dated 2<sup>nd</sup> October 2018. It was sign by Dato’ Sri Lau Hieng Su (Executive Director). The policy emphasize commitment with MSPO, Alambumi Palm Oil Mill Sdn. Bhd. are committed to follow sustainable practices through continuous improvement in all our our operation.</p> <p>Based interview with the staffs</p> <p>1) Name: Rodney ak Paran            Position: Lead Machine at the maintenance area.            Year working: &gt;1 year</p> <p>2) Name: Affandi Bin Batok            Position: Maintenance area.            Year working: 4 years</p> <p>Both of them are aware of the MSPO requirements in the mill area.</p> <p><u>Internal audit</u>            Internal audit was last conducted on the 30<sup>th</sup> October 2018</p> <p>From mill internal audit, 19 findings was raised. Corrective action has already been taken, however report was produce to show corrective action taken. It will be verified in the stage 2 audit.</p> <p><u>Management Review –</u></p>
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	<p>The management review conducted on 2<sup>nd</sup> November 2018. In the agenda meeting it was discuss on:</p> <ul style="list-style-type: none"> <li>i. Minutes from previous management review.</li> <li>ii. The policies, objective and target.</li> <li>iii. Result of internal audit.</li> <li>iv. Suggestion &amp; complaint.</li> <li>v. Other matters.</li> </ul> <p><u>Continual Improvement</u> The Management review report on continual improvement includes the following:</p> <ul style="list-style-type: none"> <li>1) To construct new store to store the empty drum and gallon.</li> <li>2) To buy Biotube for desludging and reduce the amount of silted sludge.</li> </ul>
<p>Comment on Principle 2</p>	<p><u>Transparency of documents relevant to MSPO requirements –</u> 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 : ABPOM-MSPO-P2-COM-001</p> <p>The management will communicate with interested stakeholders on information requested and reply accordingly.</p> <p>Latest Stakeholders meeting was recorded on 30<sup>th</sup> October 2018 at Mill meeting room. It was attended by 67 attendees of several stakeholders.</p> <p>However, based on site inspection during delivery of FFB at the mill, it was observed the Personnel Protective Equipment (PPE) was not implement adequately by smallholders during loading the FFB</p> <p>Management documents for the mill are made publicly available upon request.</p> <p><u>Transparent method of communication and consultation</u> The company has established a Procedure on the mill stakeholders communication in Document No: ABPOM-MSPO-P2-COM-001 dated 28<sup>th</sup> September 2018 for consultation and communication with the relevant stakeholders.</p> <p>The document also includes a flow chart of ‘Request Info from Stakeholders and responses’</p> <p>Grievances Box was made available at site office. Grievances procedure document : ABPOM-MSPO-P4-CG-001 was made available at site</p>

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	<p>List of external and internal stakeholders was made available on site which 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.</p> <p>Traceability and Mass Balance It include the following sections:</p> <ol style="list-style-type: none"> <li>1) Purpose</li> <li>2) Scope</li> <li>3) Responsibilities</li> <li>4) Definition</li> <li>5) Procedure</li> </ol> <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</p> <p>Perakuan Kelayakan Pengandung Tekanan Tak Berapi : FMA 1967 Regulations 10 (2) No Pendaftaran:</p> <p>a) SW PMT 4985, Valid till 2<sup>nd</sup> August 2019</p> <p>MPOB License : No Lesen : 509026404000 Validity : 1/8/2018-31/07/2019</p> <p>1. <i>License: menjual &amp; mengalih</i> FFB, PK, CPO, SPO#</p> <p>2. <i>Membeli &amp; mengaih</i> FFB, PK, CPO#</p> <p>3. <i>Menyimpan</i> PK, CPO, SPO#</p> <p>4. <i>Mengilang</i> FFB#</p> <p>DOE Jadual Pematuhan : 03006 Tempoh Lesen: 1 July 2018-30 Jun 2019.</p> <p>Based on interview with legal officer Mr. Victor Lau Mechanism to track</p>

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	<p>changes or new amendments in law using website.</p> <p><u>Legal land use rights</u> –          Alambumi Palm Oil Mill Sdn. Bhd. is located within Lot number 283 in Block/ Number 22 containing 41.1 hectares.          Lease of State Land          Locality: Kilometre 112, Jalan Miri-Bintulu, Suai, Niah.          Classification : Mixed Zone          Category : Country Land          Land register          Date : 26/05/2014          Map Sheet No: G16 -4-3(1.2) BP 4/729          Commencement and Expiry Date :          27/04/1998-26/04/2058</p> <p>Mill Complex Area          Total Area : 41.1 ha          Total Ponds : 17          Treatment Plant : 12          Water Reservoir : 5          Housing Units : 157 units</p> <p><u>Customary rights</u> –          The legal acquisition was proven via availability of land title from Land and Survey Sarawak.</p> <p>Commencement and Expiry Date :          27/04/1998-26/04/2058</p> <p>Registered Office : Miri</p>
<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment</u> –          Alambumi Palm Oil Mill Sdn. Bhd. presented the stakeholders meeting minute, feedback and list of stakeholders attended.</p> <p>The stakeholders meeting has been conducted on 30<sup>th</sup> October 2018 with only attend by .Noted that total stakeholders are 67. The meeting conducted at Mill office.</p> <p>The meeting discussed on          -MSPO certification introduction and briefing          -Briefing on grievance procedure</p> <p><u>Complaints and grievances</u> –</p>

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	<p>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 : ABPOM-MSPO-P4-CG-001</p> <p><u>Commitment to contribute to local sustainable developments –</u>  Days complaint to solved : 12 days  Person in charge: Mr Ch'ng Wee Ming.</p> <p>Three complaints was recorded and sighted during audit.</p> <ol style="list-style-type: none"> <li>1. Franky ak Gaji <ul style="list-style-type: none"> <li>- <i>Pemandu lori selalu tidak menurunkan Bucket.</i></li> <li>- Harga barangan dikantin terlalu mahal.</li> </ul> </li> <li>2. Supply water to Mill and Estate quarters.</li> <li>3. Pemeriksaan mata bagi warga tua &amp; murid sekolah (24<sup>th</sup> Nov 2018) for Kampung Muslim Penan Jambatan Suai KK Mohammad Yusuf B. Abdullah.</li> <li>4. Sumbangan Hari Keluarga MPOB Cawangan Miri/ Cawangan Limbang &amp; Cawangan Niah 2018.</li> <li>5. Sumbangan/ Derma bagi Program “HIP: Fund Raising Day” SK Batu Tellingai.</li> </ol> <p>It can be verified in File Alambumi Palm Oil Mill Sdn. Bhd. “<i>Sumbangan Masyarakat</i>”</p> <p><u>Employees health and safety –</u>  Safety and health policy was incorporated within MSPO General policy.</p> <p>The Safety and health statement was signed by the Ms Adeline Lau Kor See (Director) dated 13<sup>th</sup> July 2018</p> <p>Among the safety objective :</p> <ol style="list-style-type: none"> <li>1. Provide safe working environment to the workers / staff</li> <li>2. To train all employee to be aware of their own responsibility</li> <li>3. To provide appropriate medical and first aid facilities to safeguard the health and ware fare of all our employees</li> </ol> <p><u>Major 1</u>  <u>Principle 4.4.4.2</u></p>
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	<p>The occupational safety and health plan was established. However, the implementation was found inadequate.</p> <p><u>Employment conditions</u> – In the Wawasan Sedar Palm Oil Mill policy on ‘Social and Community Policy ‘ signed by Mr Andrew Esi and Mr Cheng Hua Biew</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 Irene (Senior Clerk) shows that she is aware with the policy.</p> <p><u>Major 2</u> <u>Principle 4.4.5.11</u> On-site living quarters are provided to the mill workers and these quarters was identified to be habitable. However, collection drain at housing site was found not maintain.</p> <p><u>Training and competency</u> – The occupational safety and health plan known as ‘Annual Training Programme Jan – Dec 2018 ‘ cover the following:</p> <p>There are 27 topics listed in the training which include:</p> <ol style="list-style-type: none"> <li>1) Grading skills</li> <li>2) Accident Reporting</li> <li>3) Register of chemical Hazardous &amp; chemical handling</li> <li>4) HIRARC</li> <li>5) ERP</li> <li>6) First Aid Training</li> <li>7) Confined space</li> </ol>
<p>Comment on Principle 5</p>	<p><u>Environmental management plan</u> – The management has provided Sustainability Policy which included environment component.</p> <p>The policy signed by General Administrative Manager (Mr. Cheng Hua Biew) and Mill Manager (Mr Andrew Ak Esi) dated :1<sup>st</sup> June 2018</p> <p>The policy commits to achieve environmental sustainability by</p> <ol style="list-style-type: none"> <li>i. Safety and Health</li> <li>ii. Environment</li> <li>iii. Good Social Practices</li> <li>iv. Harassment &amp; Violence Prevention</li> </ol> <p>The management has provided continual improvement plan for Wawasan Sedar Palm Oil Mill for 2018.</p>

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Item incorporate in the plan are list as below:

- i. First Aid Training
- ii. Fire Fighting Equipment Training
- iii. Safety data sheet training
- iv. Driver Training and awareness
- v. HIRARC.

It was observed the training record was made available:

- i. Training/ Course: Chemical Safety Management, dated 20<sup>th</sup> September 2018, time:10.00 am, venue WSPOM Conference room, which train by Mr. Empajang/ Sabih, attended by 21 attendees.

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

Example: “Mesyuarat Jawatankuasa Pengawasan Prestasi Alam Sekitar (ERCMC)(Bil: 1/2018)”. Dated of meeting 19<sup>th</sup> October 2018, meeting room of WSPOM which attend by “Ahli Jawatankuasa ERCMC Wawasan Sedar Palm Oil Mill”

The agenda discuss as below:

- i. Environmental Improvement Projects
- ii. Effectiveness of environmental policy and follow up actions.
- iii. New environmental regulatory amendments and implications
- iv. Major initiatives on major non-conformance (NC) issue.
- v. Environmental impact on procurement and purchasing policies.

Major 3

Principle 4.5.3.2

Waste management was found lacking.

Efficiency of energy use and use of renewal energy –

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

Usage of diesel record (Litres)

	2016	2017	2018*
Actual	513,103	645,269	489,228
Budget	Nil	Nil	Nil

\*as September 2018

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

	<p><u>Waste management and disposal –</u>  a)The management show record for its waste products in their 2018 inventories</p> <p>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.: WSPOM-03-SH06/REV0 dated 2<sup>nd</sup> May 2018.</p> <p>Location of dumping site was made available</p> <p>During site inspection it was observed there was no scheduled waste inside the dumping site.</p> <p>It was observed the Waste management plan was made available with document name : Waste Management, Document Ref.: WSPOM-03-EN03/ REV0.</p> <p>Types of waste was list as below:</p> <ul style="list-style-type: none"> <li>i. Domestic waste</li> <li>ii. Scheduled waste</li> <li>iii. Product waste: Empty Fruit Bunches</li> <li>iv. Product waste: Mesocarp Fiber</li> <li>v. Product waste: Palm Kernel Shell</li> <li>vi. Product waste: Palm oil mill effluent (POME)</li> </ul> <p>Product waste: Decanter cake</p> <p><u>Reduction of pollution and emission including greenhouse gas –</u>  The management has provided :</p> <p>1. Environment Monitoring report for Boiler 1 and 2 latest: cover for July till December 2018. The conclusion for both area states as below:</p> <p><u>Summary</u>  <u>Boiler No.1:</u> The dust emission as measured in Boiler No.1 at Alambumi Palm Oil Mill Sdn. Bhd. on 22<sup>nd</sup> of October 2018, from 1430 hours to 1536 hours for Boiler No. 1 was 0.390 g/Nm<sup>3</sup> and this result was below the allowable standard emission limit of 0.400 g/Nm<sup>3</sup>, corrected at 12% CO<sub>2</sub>.</p> <p><u>Boiler No.2:</u> The dust emission as measured in Boiler No.2 at Alambumi Palm Oil Mill Sdn. Bhd. on 9<sup>th</sup> July 2018, from 1100 hours to 1250 hours for Boiler No. 2 was 0.391 g/Nm<sup>3</sup> and this result was below the allowable standard emission limit of 0.400 g/Nm<sup>3</sup>, corrected at 12% CO<sub>2</sub>.</p> <p><u>Natural water resources –</u></p>
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	<p>The management has provided 1.water testing analysis for drinking water (latest 26<sup>th</sup> March 2018)  File:Teknologi Enviro Kimia  Ref. Lab. no.:LS/PO/F9870/18</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)</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>  The management has provided Safety Operation Procedure (SOP) on Mill Operations with regards to MSPO, all of the SOP which includes:</p> <ul style="list-style-type: none"> <li>i. Sterilizer</li> <li>ii. Tipper</li> <li>iii. Thresher</li> <li>iv. Digester</li> <li>v. Screw Press</li> <li>vi. Weighbridge</li> <li>vii. FFB Ramp</li> <li>viii. FFB Conveyor</li> <li>ix. Transfer Carriage</li> <li>x. Shovel, Excavator and Palm Tractor</li> <li>xi. Rails and Marshalling Yard</li> <li>xii. Fruit Cage</li> <li>xiii. Grading Procedures</li> <li>xiv. Grading Frequency</li> <li>xv. Bunch Classifications</li> <li>xvi. Crossover Bridge</li> </ul> <p>Other SOP can be verified in the SOP file.</p> <p>The SOP will be amended by the Head of Mill if any changes in SOP.</p> <p><u>Economic and Financial Viability Plan -</u>  The management has provided 2 years production projection for year 2018-2019 (in MT)</p> <table border="1" data-bbox="544 1682 973 1776"> <thead> <tr> <th><u>Year</u></th> <th><u>FFB</u></th> <th><u>CPO</u></th> <th><u>PK</u></th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>399, 915</td> <td>80,982.79</td> <td>17,996.18</td> </tr> <tr> <td>2019</td> <td>471,546</td> <td>91,951.47</td> <td>21, 219.57</td> </tr> </tbody> </table> <p>The document can be verified in yearly budget report for 2018 and 2019.</p> <p><u>Transparent and fair pricing dealing -</u>  The mill management receives FFB from internal and external suppliers related plantations which under the same group.</p>	<u>Year</u>	<u>FFB</u>	<u>CPO</u>	<u>PK</u>	2018	399, 915	80,982.79	17,996.18	2019	471,546	91,951.47	21, 219.57
<u>Year</u>	<u>FFB</u>	<u>CPO</u>	<u>PK</u>										
2018	399, 915	80,982.79	17,996.18										
2019	471,546	91,951.47	21, 219.57										

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	<p>Internal FFB</p> <ul style="list-style-type: none"> <li>- Alto Sdn. Bhd.</li> <li>- Alamwasa Sdn. Bhd.</li> <li>- Bumi Hijau Berkembang Sdn Berhad</li> <li>- Regalot Pelita Plantation Sdn. Bhd.</li> </ul> <p>External FFB</p> <ul style="list-style-type: none"> <li>- TH Pelita Niah</li> <li>- TH Pelita Bakong</li> <li>- Simalau</li> <li>- Melemas</li> <li>- Green Field</li> <li>- Origrow Venture</li> <li>- Golden Palm Harvest (Ramp)</li> </ul> <p>Sales and purchase agreements. Document No : WSPOM/HP/18</p> <p>Pricing mechanism: According to Mr. George Anak Akam, the pricing mechanism for Alambumi POM for FFB purchase are spelt out in the Internal Contract Agreement as it receives crop from internal sources. All will be based on MPOB website.</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: Bintulu Edible Oil Refinery.</p> <p><u>Contractor</u> The management has provided list of contractors:</p> <ol style="list-style-type: none"> <li>1. Kunciraya Sdn. Bhd. for transporting of FFB</li> <li>2. Metro Sepadan Sdn. Bhd. as sub-contractor for Kunciraya.</li> <li>3. Nabbir Laboratory (Sarawak) Sdn Bhd for water sampling and laboratory</li> <li>4. Kien San (Metal) Sdn. Bhd. for Scrap metal transportation and storage. (DOE licence N. 001739 and No. 001740).</li> </ol> <p>The sign of agreement mentioned on MSPO compliances was sighted in the addendum of the contract agreement</p>
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7. Non nonconformity

**MS2530-4:2013 Part 4**

MS2530-4:2013 Part 4 General principles for Palm Oil Mills

CAR #	Indicator	CAR Detail					
		Date Recorded>	30 <sup>th</sup> January 2019	Due Date>	30 <sup>th</sup> March 2019	Date Closed>	20 <sup>th</sup> March 2019
1 MS2530-4:2013 Part 4	4.4.4.2	<b>Non-Conformance:</b>					
		The occupational safety and health plan was established. However, the implementation was found inadequate.					
		<b>Objective Evidence:</b>					
		During site tour and document assessment, it was sighted					
		a) Unsafe condition at workplaces was sighted at the scheduled waste store area and mill operation area.					
		b) The risk assessment for working during night shift was not available. In the emergency action plan, there is no action to be taken in an event of power loss / electric breakdown during night shift.					
c) Fire extinguisher was found expired at housing ABQ Block 20B							
d) Replacement item in the first aid box was not documented							
e) Chemical labeling in the laboratory was found not following chemical labeling procedure.							
		<b>Close-out evidence:</b>					
		The mill management has submitted corrective action to close out non conformity raised based on the 4.4.4.2 findings. The corrective action consists of pictures on installation of safety signage, rear guard, updating on risk assessment especially for women that work during night time and management of equipment including fire extinguisher, first aid box and chemical equipment was submitted by the mill management. The corrective action was sighted and accepted by auditors.					

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2 MS2530-4:2013 Part 4	4.4.5.11	<b>Date Recorded&gt;</b>	30 <sup>th</sup> January 2019	<b>Due Date&gt;</b>	30 <sup>th</sup> March 2019	<b>Date Closed&gt;</b>	20 <sup>th</sup> March 2019	
		<b>Non-Conformance:</b>						
		On-site living quarters are provided to the mill workers and these quarters was identified to be habitable. However, collection drain at housing site was found not maintain.						
		<b>Objective Evidence:</b>						
		During site visit to housing ABQ Block 20, it was sighted collection drain not properly maintained						
		<b>Close-out evidence:</b>						
The mill management has submitted action taken on workers quarters drainage maintenance issue. Pictures of drain desalting and time table of future drainage maintenance. The corrective action as sighted and accepted by auditors.								

3 MS2530-4:2013 Part 4	4.5.3.2	<b>Date Recorded&gt;</b>	30 <sup>th</sup> January 2019	<b>Due Date&gt;</b>	30 <sup>th</sup> March 2019	<b>Date Closed&gt;</b>	20 <sup>th</sup> March 2019	
		<b>Non-Conformance:</b>						
		Waste management was found lacking						
		<b>Objective Evidence:</b>						
		1. Scheduled waste was found at the domestic dumping site during site visit. The empty m-oil container was sighted in the area. 2. Labeling of scheduled waste in laboratory was found inadequate						
		<b>Close-out evidence:</b>						
The mill management submitted a revised scheduled waste management procedure which includes proper labelling guidance and management of scheduled waste. The scheduled waste collector appoint was shown in close out evidence submitted to the auditors. The close out evidence was verified and accepted.								

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 on an action plan and sent by the client to the auditor within 60 days for review. If the actions are deemed to be satisfactory they will be followed up at the next scheduled visit

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- 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:

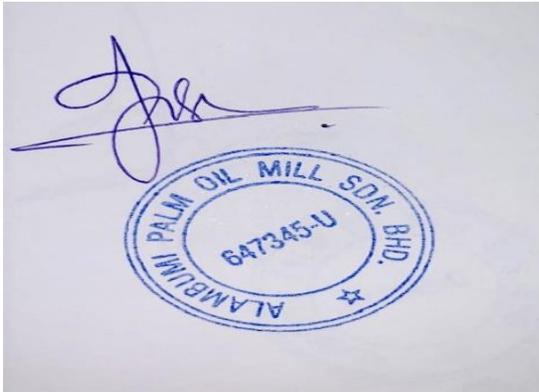
- The support from Alambumi Palm Oil Mill Sdn. Bhd. personnel, especially the ground staff contribute to the smoothness and successful of the audit process.
- The spirit of unity and enthusiasm of the personnel towards achieving MSPO certification is impressive.
- The unit has dedicated staffs who are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

### Appendix 1: List of Stakeholders Contacted

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Monica Mone MPOCC	External (Government)	NIL	No issue
Andrea Chin WWF Malaysia	External (NGO)	NIL	No issue
Rodney ak Paran	Internal (Staff)	NIL	Based on interview, the stakeholder aware regarding the MSPO.

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Affandi Bin Batok	Internal (Staff)	NIL	Awareness good
Dr Felix Moh Alto Group Estate Coordinator	FFB Supplier (ALTO Group of Plantations)	NIL	NIL

Signed on behalf of <b>Alambumi Palm Oil Mill Sdn. Bhd.</b>	Signed on behalf of <b>SGS Malaysia Sdn. Bhd.</b>
 <p>Mr George Anak Akan Sr. Mill Manager</p>	 <p>Mr. Dickens Mambu Certification and Business Enhancement (CBE) Regional Head Certification</p>

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