



| | |
|----------------------|---|
| Assessment Report | 1 st NOV - 2 ND NOV |
| | 2018 |

[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the Malaysian Sustainable Palm Oil (MSPO) MS 2530-2:2013 General Principles For Independent Smallholder and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances.]

MSPO

| | |
|-----------------|--|
| Company Name | PROLIFIC YIELD SDN BHD (Palm Oil Mill) |
| Address | Lot 70, Block 6, Prima Square, Mile 4, North Road, PO Box 1562, 90717 Sandakan, Sabah. |
| Report No. | MS18FM0049 |
| Status of Audit | First Assessment Audit (Document Review) |

Section A General Information

| General | |
|----------------------|--|
| Standard Assessed | MSP0 MS 2530-4:2013 |
| Audit objectives | To verify the document established to met the requirement of the standard and ready for the stage 2 assessment |
| Integrate Assessment | No |

| Contact Details | |
|---------------------------------------|--------------------------|
| Management Representative | Chan Kai Man |
| Alternate contacts | Basri Bin Bahari |
| Management Representative contact no. | 089 - 563716 |
| E-mail address | prolificmill@hotmail.com |
| Fax Number | - |
| Phone Number | 089 - 563716 |

| Scope of Certification | |
|---|-------------------------------------|
| Scope of certification in English | Production of Fresh Fruits Bunch |
| Applicable clause of the MS 2530-2:2013 | Clause 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 |
| Changes from Previous registration | No |
| Extension/changes of scope date | NA |

| System Documentation Information | |
|--|----------------|
| Quality Manual Document Identification | NA |
| Last Management System revision date | NA |
| Previous Management System date | NA |
| Management Review Date | 09/10/2018 |
| Internal audit Date | 20-24/09/2018. |

Section B Audit Note

Summary of Area Audited

| BUSINESS AREAS | DETAILS OF AUDITED SUMMARY |
|-------------------------------------|---|
| Opening Meeting and Closing Meeting | <p>Opening Meeting</p> <ul style="list-style-type: none"> a) introduction of the participants, including an outline of their roles; b) confirmation of the scope of certification; c) confirmation of the audit plan (including type and scope of audit, objectives and criteria), any changes, and other relevant arrangements with the client, such as the date and time for the closing meeting, interim meetings between the audit team and the client's management; d) confirmation of formal communication channels between the audit team and the client; e) confirmation that the resources and facilities needed by the audit team are available; f) confirmation of matters relating to confidentiality; g) confirmation of relevant work safety, emergency and security procedures for the audit team; h) confirmation of the availability, roles and identities of any guides and observers; i) the method of reporting, including any grading of audit findings; j) information about the conditions under which the audit may be premature terminated; k) confirmation that the audit team leader and audit team representing the certification body is responsible for the audit and shall be in control of executing the audit plan including audit activities and audit trails; l) confirmation of the status of findings of the previous review or audit, if applicable; m) methods and procedures to be used to conduct the audit based on sampling; n) confirmation of the language to be used during the audit; o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns; p) opportunity for the client to ask questions. |

| | |
|--|---|
| | <p>Closing Meeting</p> <ul style="list-style-type: none"> a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty b) the method and timeframe of reporting, including any grading of audit findings; c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification; d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit; e) the certification body's post audit activities; f) information about the complaint handling and appeal processes. g) Any diverging opinion that are not resolved. h) opportunity for the client to ask questions. |
|--|---|

| System requirements | Y / N | Document reference if select "Y" or comments if select "N" |
|---|------------|---|
| 4.1 Management Commitment & Responsibility | | |
| 4.1.1 MSPO Policy | YES | <p>4.1.1.1 Verified the MSPO policy (Sustainability) date on 26th July 2018 - Sign by Dato' Seri Mah King Seng, Managing Director. there two types of policies, one in Malay language and one in English language. Sighted inside the policy had sighted that management commitment to-words - Environment and Biodiversity Policy, Food Safety Policy, Employment Policy, Social Policy, Equality Policy Sexual Harassment Policy, Zero Open Burning Policy, Occupational Safety & Health Policy.</p> <p>A written policy statement on the commitment towards sustainable production of palm oil. This policy shall be communicated to all levels of the workforce and stakeholders. Will verified during stage 2.</p> <p>4.1.1.2 Verified the environmental Aspect & Impact document. Sighted the list of waste generated. However, SIA report still in progress (OBS). Sighted the environmental training plan for the year 2018 (Appendix 1).</p> <p>Sighted the attendance of training for 'Dasar Alam Sekitar & Biodiversity', dated 21/09/2018. Sighted the photo of evidence, dated 21/09/2018 at 8.00am</p> |
| 4.1.2 Internal Audit | YES | <p>4.1.2.1 Sighted the Internal audit procedure; Doc. No: MSPO-MP-001 dated: 01/08/2018. Sighted the internal audit plan notification dated 18/09/2018. The internal audit plan is on 22-24/09/2018. Verified the agenda of internal audit. Sighted the list of attendance for internal audit, date 22/09/2018, Leded by Mr. Jackie Chua.</p> <p>4.1.2.2 Sighted the internal audit report, dated 04/10/2018. There are several NCR and OBS has been raised. Sighted the NCR forms.</p> <p>4.1.2.3 Sighted the MRM procedure. Sighted the MRM minutes , dated 09/01/2018.</p> |

| System requirements | Y / N | Document reference if select "Y" or comments if select "N" |
|--|------------|--|
| 4.1.3 Management Review | YES | <p>4.1.3.1</p> <p>Sighted the Management Review Minutes dated 09/10/2018. Sighted the list of attendance. chaired by Mr Chan, Sr. Mill Manager.</p> <p>Will be verified on 2nd stage regarding NCR's issues.</p> |
| 4.1.4 Continual Improvement | YES | <p>4.1.4.1</p> <p>Sighted the Continues Improvement Plan. There are 5 areas for improvements, social impacts, Environment impacts, Pollutions, etc.</p> <p>4.1.4.2</p> <p>There is no new technologies bring in to the mill at this time of review. Sighted the training program for the year 2018.</p> <p>There is no training evaluation conducted for the year 2018.</p> |
| 4.2 Transparency | | |
| 4.2.1 Transparency of information and documents relevant to MSPO requirement | YES | <p>4.2.1.1</p> <p>There is no request from other party or stakeholders at this time of review. The complaint form was found at the office lobby. No issues regarding land, to be verified during 2nd stage audit.</p> <p>Sighted the Safety & Health plan, dated 01/08/2018. The document found satisfactory.</p> <p>Sighted the Continuous Improvement Plan.</p> <p>Sighted the waste and pollution plan - Identification, prevention, mitigation and improvement plan.</p> |
| 4.2.2 Transparent method of communication and consultation | YES | <p>4.2.1.2</p> <p>The company homepage can be found in the internet; ' Cepat Wawasan Group of Companies'. Company annual report was established, will be verified during 2nd stage audit.</p> <p>The transparency method of communication had been brief during stakeholder meeting . Will be verified during 2nd stage</p> <p>4.2.2.1</p> <p>Sighted the SOP for all mill operation, dated Nov 2015.</p> <p>Sighted the consultation and communication procedure, dated 01/08/2018.</p> <p>Appointment letter for person responsible for MSPO matters not yet done (OBS)</p> <p>4.2.2.2</p> <p>As per 2.2.2.1</p> |

| System requirements | Y / N | Document reference if select "Y" or comments if select "N" |
|---|------------|---|
| | | 4.2.2.3 List of stakeholder of mill consist of supplier, contractor, government agencies and authorise, etc. Including internal and external. |
| 4.2.3 Traceability | YES | 4.2.3.1 Sighted the SOP of traceability. Sighted the weighbridge ticket. Sighted the sales and agreement document. Sighted the SOP for external provider. Others will be verified during stage 2 audit. 4.2.3.2 As per 4.2.3.1 4.2.3.3 Sighted the appointment letter person in-charge of traceability system, dated 16/07/2018. 4.2.3.4 To be verified during 2 nd stage audit. |
| 4.3 Compliance to legal requirements | | |
| 4.3.1 Regulatory requirements | YES | 4.3.1.1 Applicable license such as Jabatan Alam Sekitar License, Lesen Menjual & Mengalih - FFB, CPO, SPO & PK. MPOB License, etc. Sighted the management had done the Legal List of Plant Operation/permits/licenses. 4.3.1.2 Refer to Legal Requirement Register (LRR) 4.3.1.3 Refer to Legal Requirement Register (LRR) 4.3.1.4 sighted the appointment letter for En. Liu Swee Kan, dated on 01/10/2018 |
| 4.3.2 Land use rights | YES | 4.3.2.1 Land Title - Prolific Yield Sdn Bhd, Cluntry Lease No 075359634. Land status is coconut but now in progress to change the land title to oil palm cultivation. To verified during 2 nd stage audit. 4.3.2.2 Own by Prolific Yield Sdn Bhd. Verified during 2 nd stage audit 4.3.2.3 Own by Prolific Yield Sdn Bhd Verified during 2 nd stage audit 4.2.3.4 No issues regarding land disputes. To be verified during 2 nd stage audit. |
| 4.3.3 Customary rights | YES | 4.3.3.1 No customary land.- not applicable. |

| System requirements | Y / N | Document reference if select "Y" or comments if select "N" |
|---|------------|--|
| | | 4.3.3.2 Sighted the map/grant. 4.3.3.3 No land dispute issue |
| 4.4 Social responsibility, health, safety and employment condition | | |
| 4.4.1 Social impact assessment (SIA) | YES | 4.4.1.1 Sighted that the SIA assessment is not yet been conducted by the management (OBS). Will be verified during stage 2 audit. |
| 4.4.2 Complaints and grievances | YES | 4.4.2.1 Sighted the complaint and Resolution Procedure. Doc. No: MSPO-MP-005 dated 01/10/2018. 4.4.2.2 As per 4.4.2.1 Will be verified during stage 2 audit 4.4.2.3 Sighted the complaint form. To be verified during 2 nd stage audit. 4.4.2.4 As per 4.4.2.3 4.4.2.5 All complaint form will be kept inside the file named 'Complaint and Grievances '. |
| 4.4.3 Commitment to contribute to local sustainable development | YES | 4.4.3.1 Sighted CSR Activities file (Corporate Social Responsibility). Verified the activities had been done such as 'Sambutan Hari keluarga' dated 04/08/2018. etc. |
| 4.4.4 Employees safety and health | YES | 4.4.4.1 Safety and Health plan has been established for year 2018. Sighted the Org. Chart, Doc. No: MSPO-MP-006. 4.4.4.2 HIRARC date on 14/04/2018. Safe working procedure file according to work station. License and permit are in place. Training records for laboratory. CHRA Report, dated 20/06/2018, Ref no: HQ/11/ASS/00/298-2018/012) Assessment date 20/06/2018. Appointment letter Safety Committee sighted. Minute of meeting safety that has been held once in a 3 monthly - minimum 4 times a year. Sighted the minutes meeting dated 03/09/2018. Emergency preparedness procedure. Pelan Tindakan Kecemasan, Pelan Tindakan Kebakaran. First aider - Sighted the training record: - 1. BOFA -C (Basic Occupational First Aid Competency) & Latihan Kemahiran Asas Pekerjaan Pertolongan Cemas. 2. MOCK DRILL (Situasi Kecemasan Olok-olok) |

| System requirements | Y / N | Document reference if select "Y" or comments if select "N" |
|-------------------------------|------------|--|
| | | <p>Dated: 25/10/2018.</p> <p>First Aid Kits, emergency, equipment, personal protective equipment (PPE), Emergency shower and eye wash had been installed at the lab and chemical store. To be verified during 2nd stage audit.</p> <p>Danger/warning signage's, safety instructions, MSDS/CSDS, emergency actions - will be verified during 2nd stage audit.</p> <p>Availability of PPE storage facility. Will be verified during 2nd stage audit.</p> |
| 4.4.5 Employment conditions | YES | <p>4.4.5.1 Verified the Employment Policy, dated 26/07/2018. Signed by Managing Director.</p> <p>4.4.5.2 Will be verified during 2nd stage audit.</p> <p>4.4.5.3 Offer letter for Employee - will be verified during 2nd stage.</p> <p>4.4.5.4 Contractor payment slip will be verified during 2nd stage audit. Salary according to the minimum wages standard.</p> <p>4.4.5.5 Attendance record. - punch card - will be verified during 2nd stage.</p> <p>4.4.5.6 Offer letter and contract agreement for Employee - will be verified during 2nd stage.</p> <p>4.4.5.9 Salary slips in place and comply with requirement</p> <p>4.4.5.10 To be verified during interview during 2nd stage audit.</p> <p>4.4.5.11 Will verified in 2nd stage audit.</p> <p>4.4.5.12 Will verified in 2nd stage audit</p> <p>4.4.5.13 Sighted the Equality Policy, dated 26/07/2018.</p> <p>4.4.5.14 List of workers name complete with age are available and complete.</p> |
| 4.4.6 Training and competency | YES | <p>4.4.6.1 As per Training Needs Analysis, Employee Training Profile & Post Evaluation and Monthly Tentative Schedule. Will be verified during stage 2 audit.</p> |

| System requirements | Y / N | Document reference if select "Y" or comments if select "N" |
|--|------------|---|
| | | 4.4.6.2 As per Training Matrix Analysis, Training Plan and Training Attendance Records. Will be verified during stage 2 audit. 4.4.6.3 As per Training Matrixs and Monthly Tentative Schedule and Safety Training Programme 2018. |
| 4.5 Environment, natural resources, biodiversity and ecosystem services | | |
| 4.5.1 Environmental management plan | YES | 4.5.1.1, a) Environmental and Biodiversity Policy, dated 26/07/2018 b) Environmental Impact Assessment dated 01/10/2018 c) Environment training programme as per Ghan Chart Programme. 4.5.1.2 Verified during 2 nd Stage 4.5.1.3 Verified during 2 nd Stage 4.5.1.4 Verified during 2 nd Stage 4.5.1.5 Verified during 2 nd Stage 4.5.1.6 Verified during 2 nd Stage |
| 4.5.2 Efficiency of energy use and use of renewable energy | YES | 4.5.2.1 As per Debit notes charges by estate for mill tractor diesel usage. Record of electricity usage and water usage had been proper recorded by the company. 4.5.2.2 As per summary of diesel, electricity and water consumption for milling activity and process. 4.5.2.3 To be verified during 2 nd stage audit. |
| 4.5.3 Waste management and disposal | YES | 4.5.3.1 Inventory of Schedule Waste (First Schedule, regulation 2), (Second Schedule), (Fifth Schedule), (Six Schedule- Consignment note), Waste card. 4.5.3.2 As per Waste Management Plan - refer to environmental management plan dated on 01/08/2018 - the mitigation plan. Will be verified during 2 nd stage. 4.5.3.3 As per Mill SOP - Schedule waste procedure. Date 04/2018 - Pengendalian Bahan Buangan Berjadual (Schedule Waste) effective date 04/2018 4.5.3.4 As per mention and verified with the auditee, domestic wasted are handled by contractor. Will be verified during 2 nd stage audit. |
| 4.5.4 Reduction of pollution and emission | YES | 4.5.4.1 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2 nd stage. |

| System requirements | Y / N | Document reference if select "Y" or comments if select "N" |
|---|------------|--|
| | | <p>4.5.4.2 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2nd stage.</p> <p>4.5.4.3 Valid DOE License - due date is on 30/06/2019. Water sampling result: - 1. Effluent analysis 2. Water Sample; Untreated and treated water sample.</p> |
| 4.5.5 Natural water resource | YES | <p>4.5.5.1 Sighted the water management plan document, dated 01/08/2018. As per Procedure "Rawatan Air" and Record of CPO, PK, PKS, Fiber, POME Production and Water Consumption. Sighted the DOE reports.</p> <p>4.5.5.2 As per Waste Management Plan - refer to environmental management plan - the mitigation plan will be verified during 2nd stage.</p> |
| 4.6 Best Practices | | |
| 4.6.1 Mill management | YES | <p>4.6.1.1 Sighted the SOP of Mill Operation Procedure dated on 11/2018</p> <p>4.6.1.2 Verified the mill have been certified by MPOB for Code of Practices dated on 21/12/2017 and valid until 20/12/2020</p> |
| 4.6.2 Economic and financial viability plan | YES | <p>4.6.2.1 As per Budget Overall Fiscal Year 2018 for capital expenditure, general charges, mill processing cost, machinery maintenance and upkeep.</p> |
| 4.6.3 Transparent and fair price dealing | YES | <p>4.6.3.1 Sighted the sales and purchase agreement. To be verified during 2nd stage audit.</p> <p>As per Internal Memo - FFB Price monthly update, payment voucher to FFB supplier.</p> <p>4.6.3.2 Verify during the 2nd Stage</p> |
| 4.6.4 Contractor | YES | <p>4.6.4.1 As per Contract Agreement, Internal Memo and Job Contract. Letter of Acceptance issued by Prolific Yield Sdn Bhd Oil Mill to contractor . Will be verified during 2nd stage.</p> <p>4.6.4.2 Will be verified during the 2nd Stage</p> <p>4.6.4.3 Will be verified during 2nd stage audit</p> |

Observation for Improvement

| Auditor | Observation |
|---------|--|
| BH | 4.1.1.2 - SIA report still in progress. 4.2.2.1 - Appointment letter for person responsible for MSPO matters not yet done (OBS) 4.4.1.1 - Sighted that the SIA assessment is not yet been conducted by the management (OBS). |

During the assessment 0 nonconformities were identified. (refer to attachment)

Section C Conclusion

Document Review Conclusion

The documentation is acceptable and complete, there is no finding/issue at this time and progress has been established towards next stage of audit/MAV.

The documentation is generally acceptable, however there are a numbers of finding/issued which the company needs to address before proceeding to stage 2/MAV.

(Please proceed to follow up section)

Note : The assessment was based on random samples and therefore nonconformities may exist which have not been identified. All the pages should be attached if the organization wishes to copy and delivered to the interested party

Number of Employees (covered by scope of registration)

| CCI Assessors | Attendance during opening and closing meeting | |
|-------------------------------|---|---------------------|
| Team leader | Name | Designation |
| Badrul Hisham Hj Baharin (BH) | Chan Kai Man | Sr. Mill Manager |
| Team member | Basri Bin Baharin | Mill Engineer |
| Nil | Sandramogan | Asst. Mill Engineer |
| Trainee auditor | Kartini Binti Muhamad Tang | Chief clerk |
| NIL | Siti Juhaizah Binti Johan | Clerk |
| Observer | | |
| NIL | | |

Company Information if different from above

| | |
|---|---------------|
| Invoicing address if different from above | Same as above |
| Alternate contact (if applicable) | Same as above |

Acknowledge receipt of this report:

| | | |
|--|-----------------------------|------------------------------------|
| | Signed for on behalf of CCI | Signed for on behalf of the client |
|--|-----------------------------|------------------------------------|

| | | |
|--------|--------------------------|---------------|
| Signed | | |
| Name | Badrul Hisham Hj Baharin | Chan Kai Man |
| Date | 01-02/11/2018 | 01-02/11/2018 |
| E-mail | admin@cciglobe.com | |
| Fax No | 03-8073 2688 | |

FOLLOW - UP:

Area of Concern status:

| No | Description | | | | |
|----|-----------------|-------|--|------|--|
| 1 | | | | | |
| | Auditor comment | | | | |
| | Status | close | | open | |
| 2 | | | | | |
| | Auditor comment | | | | |
| | Status | close | | open | |
| 3 | | | | | |
| | Auditor comment | | | | |
| | Status | close | | open | |

Stage 1 audit conclusion:

Will be ready for 2nd stage audit after one-month time.

| | |
|----------------------|------------|
| Signatory of auditor | |
| Date | 02/11/2018 |