



# Assessment Report

Date: 15 JAN to 16 JAN

# 2018

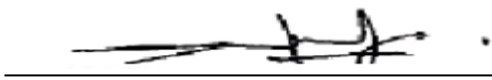
*[Disclaimer: The audit report has been generated to reflect the compliance of the company toward the MSPO standard and every criterion's have been in every effort taken to ensure the accuracy of the assessment and reporting produced. As the assessment is been carried out based on sampling, certain areas or processes may not be able to verified on its compliances. ]*

MSPO 2530:2013  
Part 4

Company name	UNITED MALACCA BHD- MERIDIAN PALM OIL MILL
Address	LADANG PAITAN 90000 LABUK/SUGUT, SABAH
Report no	MS17MM004
Status of audit	Main Assessment If surveillance NA

Thank you for your trustful cooperation during our audit of your organization. This report has been prepared of every effort to ensure the accuracy of the information recorded. The assessment is based on sampling on the records, practice, documents and personnel, therefore the final results of the assessment is of representative towards the system implementation of the organization. This report may generated to record as much of the system implementation information but may still limited due to the sampling .This report details the assessment results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success. This report has been prepared in compliance to the ISO 17021:2011 requirements.

To ensure the next assessment will be carry out in compliance to the ISO 17021:2011, please remember to immediately notify CARE Certification International about any significant change to your company at any point of time. Together we will then coordinate appropriate measures to maintain your current certification. Such circumstances include, for example, changes relating to the legal, commercial, organizational status or ownership, organization and management (e.g. key managerial, decision making or technical staff), contact address and sites, scope of operations under the certified management system, and major changes to the management system and processes. Together we CARE and will then ensure the smoothness of the upcoming assessment. Thank you for your persistence of support.

	Signed for on behalf of CCI	Signed for on behalf of client
Sign		
Name	MOHAMAD ZULKEFLI BIN MD ISA	Company stamp
Date	16/01/2018	
Email	zulkefli.isa@cciglobe.com	
Fax no	038073 2688	

**Section A      General Information**

General	
Audit objectives	<input checked="" type="checkbox"/> To verify that the system initial implementation is in accordance to requirements of the standard adopted. <input type="checkbox"/> To verify that the system implementation is continuously in accordance to the requirements of the standards adopted. <input type="checkbox"/> To verify that the system implementation is continuously after and in third years of implementation is in accordance to the standards adopted. <input type="checkbox"/> Other, (please specify)
Integrate Assessment	No
Issue of certificate	Yes

Scope of Certification	
Scope of certification in English	The provision of palm oil fruit processing
Requirement not being applicable	NA
Justification	NA
Other language than above	NA
Changes from Previous registration	No
Extension/changes of scope date	NA

Contact Details	
Management Representative	Muguthan a/l Mariappan
Alternate contacts	Hushaini Fikri bin Hashim
Management Representative contact no.	013-663 5831
E-mail address	hushaini_93@yahoo.com
Fax Number	-
Fixed Line Number	089- 278104
NO OF GROUP MEMBERS	4 Estates

## Section B Previous Audit Result

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

<input type="checkbox"/>	No nonconformities have been raised during last assessment.
<input type="checkbox"/>	Any nonconformities identified during last previous audit have been corrected and the corrective action continuous to be effective.
<input type="checkbox"/>	The management system has not adequately addressed non conformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

## Section C Conclusion

The audit team conducted a process based audit focusing on significant aspects/risk objectives required by the standard(s). The audit methodology used is based on 3P which were People, Paper and Practice.

The audit team concludes and express

- CONGRATULATION and has
- CONGRATULATION however some processes need to address non-compliance(s) but others has
- SORRY and the organization has not established and maintained its management system in line with the requirements of the standard and

- demonstrated
- not demonstrated

the ability of the system to systematically achieved agreed requirements within the scope of the organizations.

Base on the record, there is/are **NIL** unresolved issue.

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 (initial certification or recertification)
- Granted upon the acceptance of the noncompliance(s)
- Continued (surveillance)
- Continued (surveillance) upon the acceptance of the noncompliance(s)
- Withheld
- suspend until satisfactory corrective action(s) is completed
- Others (please specify)

Note :

*The assessment and recommendation for the initial or continue 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.*

**Section D (For Recertification only)**

1	The company has demonstrated effective implementation and maintenance/improvement on its management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	The internal audit program has been fully implemented and demonstrates its effectiveness as a tool for maintaining and improving the management system.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	The management review process demonstrates its capability to ensure the continuing suitability, adequacy and effectiveness of the management system	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Throughout the audit process, the management system demonstrates overall conformance with the requirements of the audit standard	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Section E Auditor and Auditees Names**

CCI Assessors	Attendance during opening and closing meeting	
Team leader	Name	Designation
Mohamad Zulkefli bin Md. Isa	As per Appendix 1	
Team member		
Zulkarnain Ishak		

Trainee auditor		
Observer		
Gan Boon Keong- DSM		

## Section F Audit Process Matrix

Next Audit Matrix (legend "☒" plan to cover & covered, "☐" for uncover)

Planned month & year	10/2017	09/2018	09/2019	09/2020	09/2021
Internal Audits	☒	☒	☒	☒	☒
Stakeholder consultation / survey	☒	☒	☒	☒	☒
Use of logo	☒	☒	☒	☒	☒
Follow-up from previous audit finding	☒	☒	☒	☒	☒
<b>4.1 Management Commitment &amp; Responsibility</b>					
4.1.1 MSPO Policy	☒	☒	☒	☒	☒
4.1.2 Internal audit	☒	☒	☒	☒	☒
4.1.3 Management Review	☒	☒	☒	☒	☒
4.1.4 Continual Improvement	☒	☒	☒	☒	☒
<b>4.2 Transparency</b>					
4.2.1 Transparency of information and documents relevant to MSPO requirements	☒	☒	☒	☒	☒
4.2.2 Transparent method of communication and consultation	☒	☒	☒	☒	☒
4.2.3 Traceability	☒	☒	☒	☒	☒
<b>4.3 Compliance to legal requirements</b>					
4.3.1 Regulatory requirements	☒	☒	☒	☒	☒
4.3.2 Land use rights	☒	☒	☒	☒	☒
4.3.3 Customary land rights	☒	☒	☒	☒	☒
<b>4.4 Social responsibility, health, safety and employment condition</b>					
4.4.1 Social impact assessment (SIA)	☒	☒	☒	☒	☒
4.4.2 Complaints and grievances	☒	☒	☒	☒	☒
4.4.3 Commitment to contribute to local sustainable development	☒	☒	☒	☒	☒
4.4.4 Employees safety and health	☒	☒	☒	☒	☒
4.4.5 Employment conditions	☒	☒	☒	☒	☒
4.4.6 Training and competency	☒	☒	☒	☒	☒
<b>4.5 Environment, natural resources, biodiversity and ecosystem services</b>					
4.5.1 Environmental management plan	☒	☒	☒	☒	☒
4.5.2 Efficiency of energy use and use of renewable energy	☒	☒	☒	☒	☒
4.5.3 Waste management and disposal	☒	☒	☒	☒	☒
4.5.4 Reduction of pollution and emission including	☒	☒	☒	☒	☒

green house gas					
4.5.5 Natural water resources					
<b>4.6 Best Practices</b>					
4.6.1 Mill management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.2 Economic and financial viability plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.3 Transparent and fair price dealing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.6.4 Contractor					

Assessment man days for the next assessment :      \_md. Recertification:

*Note: Recertification should be carry out minimum 2 months prior to the expiry of the certificate*

## Section G      Audit Note

### Summary of Area Audited

BUSINESS AREAS	DETAILS OF AUDITED SUMMARY	
Auditor	Date	Time
ZU	15/01/2018	9.30
<p>Opening Meeting</p> <ul style="list-style-type: none"> <li>a) introduction of the participants, including an outline of their roles;</li> <li>b) confirmation of the scope of certification;</li> <li>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;</li> <li>d) confirmation of formal communication channels between the audit team and the client;</li> <li>e) confirmation that the resources and facilities needed by the audit team are available;</li> <li>f) confirmation of matters relating to confidentiality;</li> <li>g) confirmation of relevant work safety, emergency and security procedures for the audit team;</li> <li>h) confirmation of the availability, roles and identities of any guides and observers;</li> <li>i) the method of reporting, including any grading of audit findings;</li> <li>j) information about the conditions under which the audit may be premature terminated;</li> <li>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;</li> <li>l) confirmation of the status of findings of the previous review or audit, if applicable;</li> <li>m) methods and procedures to be used to conduct the audit based on sampling;</li> <li>n) confirmation of the language to be used during the audit;</li> <li>o) confirmation that, during the audit, the client will be kept informed of audit progress and any concerns;</li> <li>p) opportunity for the client to ask questions.</li> </ul> <p>Closing Meeting</p> <ul style="list-style-type: none"> <li>a) informing the client that the audit evidence collected was based on a sample of the information; thereby introducing an element of uncertainty</li> <li>b) the method and timeframe of reporting, including any grading of audit findings;</li> <li>c) the certification body's process for handling nonconformities including any consequences relating to the status of the client's certification;</li> <li>d) the timeframe for the client to present a plan for correction and corrective action for any nonconformities identified during the audit;</li> <li>e) the certification body's post audit activities;</li> <li>f) information about the complaint handling and appeal processes.</li> <li>g) Any diverging opinion that are not resolved.</li> <li>h) opportunity for the client to ask questions.</li> </ul>		
<b>Executive Summary</b>		
<p>The audit was based on the MSP02503:2013 Part 4 Standard, procedure and and applicable requirements. There is no issue during the 1<sup>st</sup> Stage Audit conducted on 17/10/2017 and found all the required document, procedure and form are available.</p>		

The audit are divided into two session which first session is a documentation review and and second session is site visit on the Day 1 and Day 2. Total mandays for audit at MPOM is 3 mandays. meanwhile the stakeholders consultation was held with 1 mandays.

The audit was lead by Mr Mohamad Zulkefli who are have almost 8 years in the sustainable certification and other management system certification such as RSPO, ISCC, ISO 14001, ISO9001 etc and also attended the MSPO Lead Assessor Course conducted by SIRIM. Co auditor is Mr Zulkarnain Ishak who are experienced in the RSPO and ISCC Certification for almost 7 years and attended the MSPO Lead Assessor Course conducted by SIRIM. The stakeholders consultation was conducted by Mr Badrul Hisham who are having experence in palm oil industry for almost 8 years and attended the MSPO Lead Assessor conducted by SIRIM.

The sampling site for this audit are as below:

- 1) Paitan Estate (PTE)
- 2) Tengkarasan Estate (TKE)
- 3) Tanjung Nipis Estate (TNE)

### **Audit Summary**

#### **Principle 1: Management Commitment & Responsibility**

Sighted management establish 10 policy such as Polisi Perlaksanaan Dan Komitmen, Polisi "Pembakaran Terbuka", Polisi Keselamatan Dan Kesehatan. Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting. Continual Improvement Programme was established and sighted the continual improvement for process activity in all mill operation such as FFB Grading, Sterilizer, Threshing, Kernel Plant etc. MPOM establish the procedure for internal audit and noted MPOM already plan the Internal Audit on 20, 21,28 September 2017 and 10-11 Oct 2017 as per email Internal Audit notification dated 12/09/2017. MPOM conducted the 1st MRM on 11/12/2017 chaired by CEO,the agenda is cover all the MSPO Principle matters such as Employee Safety & Environmental, Employee Condition, Continual Improvement, NCR Status etc.

#### **Principle 2: Transparency**

Generally, Meridian Palm Oil Mill (MPOM) communicate the information with stakeholders and public through meeting with stakeholders. The mill management annually organize get together with local communities as part of promoting MSPO requirements as per SOP (Pihak Berkepentingan). The recent meeting was held on 26th July 2017. For every issue raised the Mill management has prepared management plan on social impact assessment. MPOM has established procedure for stakeholder (SOP: Pihak Berkepentingan) and B12 Complaints & Grievances. This SOP has been communicated to all stakeholders during stakeholder meeting dated 26 July 2017. Records of complaints and grievances were implemented by Complaints Form for Stakeholder/supplier and Internal. So far only internal complaint was recorded.

#### **Principle 3: Compliance to legal requirements**

MPOM has established list of legal requirement register. Noted that 100% compliance on the evaluation. All the requirements evaluated at least once a year as per SOP B10 – Legal Register Requirement. Noted mill operation was located in the Paitan Estate which is the land title is belong to United Malacca Bhd under the below lot# NT.083133304, 3297, 3288, 3279, 3260, 3251 & 3331 the land titile terms and expressly and only for the purpose of the cultivation of an agricultural crop of economic value. Sighted the mill boundary markers by the fencing surrounding the mill area.

#### **Principle 4: Social responsibility, health, safety and employment condition**

##### **1) Social**

Noted MPOM conducted the Stakeholder Meeting on 26/07/2017 with involment from the stakefoders such as Ketua Kampung, Headmaster from SK Tangkarason, smallholders, supplier etc. MPOM estbalish the Management Plan On Social Impact Assessment from the feedback collected during the Stakeholder Consultation. MPOM establish the Prosedur Aduan Version 1 with issue date 19/09/2017 for dealing with complaints and grievances. All stakeholder are freely to request the Complaint Form from the Mill Management and submit by insert to the Complaint Box infront of the mill office. The communities surrounding was aware with the complaint procedure and explanation was done during the stakeholder consultaion and most of the mill workers are from the local communities.

##### **2) Health & Safety**

Policy was established and approved by the CEO on 01/09/2017. MPOM establish the Safety Management Plan dated 02/01/2018 and planned for Safety Training & briefing, OSH Committee meeting, Scheduled Waste, Chemical Handling etc. HIRARC for mill operation such as laboratory, loading ramp, sterilizer, treshing etc was established in oredr to assess the risk of the mill operation. MPOM established the Safety Training Programme dated 2017 and listed training for Fire Drill Training, Harverstier and Prunning.

Chemical handling & spraying techniques etc. Verified the HIRARC and required PPE such as hand glove, ear plug, safety shoe, safety helmet etc. MPOM appointed Mr James Joe Joseph as Safety Officer dated 12/05/2017 with approval from Senior Controller

### 3) Employee condition

Sighted management establish the "Polisi Peluang Kesamaan" and Polisi Kemasyarakatan dan Hak Asasi Manusia and communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting. Refer to Polisi Peluang Kesamaan mentioned no discrimination and provide equal opportunity regardless of race, colour, sex, nationality etc. The company seek to maintain a workplace free from discrimination. Verified the employee payslip and found the calculation of the OT and basic salary was comply with the minimum standards with sufficient employee contract agreement. Site visit at the workers quarter and found all the basic amenities and facilities was provided sufficiently such as electricity and fresh water.

### Principle 5: Environment, natural resources, biodiversity and ecosystem services

Sighted management establish Polisi Alam Sekitar dated 01/07/2015 and approved by the CEO. Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting. MPOM establish Environmental Management Plan dated 02/01/2018 planned improvement for scheduled waste handling, conservation of water & buffer zone, conservation of Biodiversity Population and domestic Waste Management. MPOM establish the Environmental Aspect And Impact Identification dated 01/09/2017 and identified the aspect & impact of mill operation to the environment. MPOM establish the comprehensive assessment report of water usage as per Water Management Plan for FY 2016/17.

### Principle 6: Best practices

MPOM establish the SOP for mill operation consist and documented in the File B3 Safety Operating Procedures. Verified the MPOM year 2017/2018 budget as per Capital Expenditure Budget For Year 2017/2018 consist of budget for buildings, electrical, plant & machinery, water supply, office equipment and furniture & fittings and Budget Mill Processing Cost Summary For Fiscal Year 2018 consist of maintenance & repair, general machinery etc.

## Stakeholder Consultation

Stake holder consultation conducted on 15/1/2018 and the venue is as per below:

i) Paitan Estate

- Meeting room

List of attendance :

1. Serimah Binti Puyuh - Position : Villager.
2. En Jamil Bin Jalil - Position : Villager.
3. En Manggi Santiri - Headmister SK. Tg. Nipis
4. En Jeh Lumanza - GPK HEM Sk. Tg. Nipis

Result of consultation interview were as per below:

1. En Jeh Lumanza informed the auditor there is a positive impact especially on the road connection between other places since the mill and estate have been established. The local society were allowed to use the estate/mill road without any charges and restriction.
2. Since the estate and mill were established in the area, En Jamil Bin Jalil said that the villager started to plant oil palm tree on their own land and sell the crop to the mill. The total of 60 smallholders were selling to the mill. Sometimes estate management also provide transportation of FFB evacuation if the road can't be access at the minimum charges to the local villages.
3. From interview by En Jeh Lumanza said that from school authority, they also have been given contribution from estate management such as study room at the Kg. Tengkarasann, for student use as their study or discussion room.
4. The auditor also been inform by En Manggi Santiri that the estate and mill management also provide the school transportation for the children goes to school without any charges.
5. En Jeh Lumanza also informed that during every eve festival all the customer who selling the FFB to the mill the mill management have given them hampers as a gift.
6. During the consultation the auditor also been inform by the auditee that since the mill/estate have been establish , a lot of job opportunity were given to the local villagers and also the mill /estate management provide scholarship to the local children .

During interview there were some suggestion were highlighted by the stakeholder as per below:

1. En Jamil were suggested to estate and mill management to ensure that all the estate/mill workers were legal. The management must also updated on employee documentation record.
2. En Jamil also comment on the workers transports which is some of the transport are not in a proper condition eg: no lights , no brake, and heavy noise. The management must advise and make sure that workers transport are in good condition.
3. Estate and mill management should improve on security gates system on recording in and out of any transport. This is to ensure the safety and harmonize of the villagers surrounding.



Other matters arises upon the consultation:

1. The school management want to apply contribution from the mill/estate management to build a bus stop at SK. Tg. Nipis and also in helping them to enlarge the size of the school canteen.

During interview with the stakeholder sighted that the stakeholder are aware how to communicate with the estate/mill management. Verified that the stakeholder have the list of mill/estate management contact in their phone book.

Visit to "Pejabat Tanah Daerah Kecil Paitan".  
stakeholder name : En Awang Bangis Bin Hj Terawie.  
Position : "Ketua Pegawai Daerah Kecil Paitan"

Result from the consultation is as per below:

1. The auditor were inform that estate/ mill management had provided the nearest villagers with water supply during drought season.
2. Estate/mill management also helping the neares village on the road repair especially during monsoon season.
3. According to the DO, since 2017,currently the new mill management was not friendly with the villagers which reflected bad image to the company name as previous management had a good relationship before.

### Introduction

#### 1. Location of mill

NAME OF MILL	LOCATION	COORDINATE
Meridian Palm Oil Mill	Labuk Sagut, Beluran Sabah	6.447, 117.443

#### 2. Approximate tonnage certified

NAME OF MILL	CERTIFIED PALM OIL (MT)	PALM KERNEL (MT)
Meridian Palm Oil Mill	38,851	8,696

#### 3. Location of the supply base

NAME OF ESTATE/ SMALLHOLDERS	LOCATION	COORDINATE
Paitan Estat	Paitan, Sugut	6.264,117.25
Tengkarasan Estate	Paitan, Sugut	6.507,117.388
Marmahat Estate	Paitan, Sugut	6.499,117.516
Tanjung Nipis Estate	Paitan, Sugut	6.26,117.18

#### 4. Statistic of the supply base

NAME OF ESTATE/ SMALLHOLDERS	AREA OF OIL PALM (HA)		ESTIMATE TONNES (FFB TON/ YEAR)
	OIL PALM	MATURED	
Paitan Estate	2,072.37	2,072.37	45,339
Tengkarasan Estate	2,218.89	2,218.89	54,524
Marmahat Estate	1,400.45	1,400.45	27,543
Tanjung Nipis Estate	928.31	928.31	19,243
Smallholder	771.74	771.74	836.78

#### Audit Checklist

P1: Management Commitment & Responsibility		
Criterion 1	Malaysian Sustainable Palm Oil (MSPO) Policy	
Indicator	Requirement	Findings
4.1.1.1	A policy for the implementation of MSPO shall be established	<p>Sighted management establish 10 policy as below:</p> <p>a) Polisi Pelaksanaan Dan Komitmen MSPO dated 01/07/2015</p> <p>b) Polisi "Pembakaran Terbuka" dated 01/07/2015</p> <p>c) Polisi Perlindungan Cerun &amp; Sungai dated 01/07/2015</p> <p>d) Polisi Alat Pelindung Diri dated 01/07/2015</p> <p>e) Polisi Keselamatan Dan Kesehatan dated 01/09/2017</p> <p>f) Polisi Alam Sekitar dated 01/07/2015</p> <p>g) Polisi Kualiti dated 01/07/2015</p> <p>h) Polisi Peluang Kesamaan dated 01/07/2015</p> <p>Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting.</p>
4.1.1.2	The policy shall also emphasize commitment to continual improvement with the objective of improving the milling operation.	Verified the Continual Improvement Programme dated 07/08/2017 (Issue No.: 1Year2017version:2) and sighted the continual improvement for process activity in all mill operation such as FFB Grading, Sterilizer, Threshing, Kernel Plant etc.
Criterion 2	Internal Audit	
Indicator	Requirement	Findings
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	MPOM establish the procedure for internal audit as per Internal Assessment Version 2, issue date on 02/11/2017. Noted MPOM already plan the Internal Audit on 20, 21,28 September 2017 and 10-11 Oct 2017 as per email Internal Audit notification dated 12/09/2017. The Internal audit was reshedule to January 2018 and already discuss during the 1 <sup>st</sup> MRM dated 11/12/2017.
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action	<b>CAR 001</b> <b>Sighted during the assessment, Meridian Palm Oil Mill yet to conducted the Internal Audit as per MSPO 2530:2013 Part 4 Indicator.</b>
4.1.2.3	Report shall be made available to the management for their review.	As per indicator 4.1.2.2
Criterion 3	Management Review	
Indicator	Requirement	Findings

4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.	MPOM conducted the 1 <sup>st</sup> MRM on 11/12/2017 chaired by CEO, Mr Peter Benjamin and attended by CFO, Senior Plantation Controller, Mill Controller and other HOD person in charge. Verified the MRM Report with the agenda is cover all the MSPO Principle matters such as Employee Safety & Environmental, Employee Condition, Continual Improvement, NCR Status etc.
Criterion 4	Continual improvement	
Indicator	Requirement	Findings
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities for the company.	MPOM establish the continual improvement plan as below: a) Continual Improvement Programme dated 07/08/2017 Issue No.: 1Year 2017Version:2  b) Environmental Management Plan dated 02/01/2018 planned improvement for below issue: i) Best practice for SW handling ii) Conservation of water & buffer zone iii) Conservation of Biodiversity Population iv) Domestic Waste Management  c) Management Plan On Social Impact Assessment and sighted issue as below; i) MPOB Licence application by smallholders- completion date on 27/07/2017 ii) Payment slip to smallholders- Completion date on September 217 iii) To revoke the RM50 supplier fees- Completed.  d) Safety Management Plan dated 02/01/2017
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques, and for disseminating this information throughout the workforce.	MPOM decide to install a new techniques call Alfa Laval PAS X 710 sludge separator and already catter in the Capital Expenditure Budget For Year 2017/2018 and will commence by this financial year. The training will be conduct later after complete the installation of the sludge saperator.
<b>P2: Transparency</b>		
Criterion 1	Transparency of information and documents relevant to MSPO requirements	
Indicator	Requirement	Findings
4.2.1.1	The management shall communicate adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and form.	Generally, Meridian Palm Oil Mill (MPOM) communicate the information with stakeholders and public through meeting with stakeholders. The mill management annually organize get together with local communities as part of promoting MSPO requirements as per SOP (Pihak Berkepentingan). The recent meeting was held on 26th July 2017. For every issue raised the Mill management has prepared management plan on social impact assessment.
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	During the audit, it was sighted that the company has no restriction towards the document published at the operating unit unless those prevented by the management confidentiality or disclosure information that may result negative outcomes towards the company. In the mill and workers level, the management has been trained by the management to deliver the information towards all level and workforce operation.
Criterion 2	Transparent method of communication and consultation	
Indicator	Requirement	Findings

4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders	MPOM has established procedure for stakeholder (SOP: Pihak Berkepentingan) and B12 Complaints & Grievances. This SOP has been communicated to all stakeholders during stakeholder meeting dated 26 July 2017. Records of complaints and grievances were implemented by Complaints Form for Stakeholder/supplier and Internal. So far only internal complaint was recorded.
4.2.2.2	A management official shall nominated officials at the operating unit responsible for issues related to indicator 1 (4.2.2.1)	Noted that two (2) official management representative nominated responsible for issue related to stakeholder; 1. Luis Yohanis 2. Jaikul Bin Kalapa
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	List of stakeholder has been established by Meridian Palm Oil Mill include 1. Contractors- such as LH Part Sdn Bhd, Millvest Sdn Bhd, TA Enterprise etc. 2. Vendors/ Suppliers- Y&L Autoparts, Summer Stationary, hebat Trak Sdn Bhd 3. Local Communities- Leader village such as- Jalil b. Atang, Awang Bangis, Sani b. Litak 4. Other interested parties- Jab. Hutan Negeri Sabah, DOE Sabah, DOSH Sabah etc.
Criterion 3	Traceability	
Indicator	Requirement	Findings
4.2.3.1	The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operating procedure for traceability.	SOP for traceability has been established by MPOM version 1, year 2017 issue date 7th August 2017. A clear procedure and proper guideline to mill to comply with the supply chain certification under Malaysia sustainable palm oil
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system	Sample inspection on the weighbridge management system on the tickets number: 1. FFB17017526W 2. FFB17017573W 3. FFB17017551W 4. FFB17017529W  The amount of FFB processed was cross-checked against the amount received. Example, weighbridge tickets include contract number. CPO delivery order weighbridge tickets include contract number.
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system	MPOM has appoint Ms Rani Ak Pae (CC) as personnel in charge for traceability effective from 1st January 2018. Function perform as per PIC Traceability stated in appointment letter.
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil shall be maintained.	All data recorded as per SOP such as Date, Name of Estate, Vehicle Number, Time In, Block, FFB Quality and Signature of Driver. The quality of product periodically monitored and recorded by lab personnel.  PK contract number UMB/052/17/PK volume 450. Sample tickets PK1800004W, PK18000003W.  CPO contract Number UMB/171/17/CPO +UMB/173/17 from Sales and Purchasing (S&P) Department HQ and buyer contract number SEO/01P1711/0010+SEO/01P1711/0052L.

P3: Compliance to legal requirements		
Criterion 1	Regulatory requirements	
Indicator	Requirement	Findings
4.3.1.1.	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations	MPOM has established list of legal requirement register. Noted that 100% compliance on the evaluation. All the requirements evaluated at least once a year as per SOP B10 – Legal Register Requirement.  <b>(CAR 005)</b> <b>MPOM was not perform workers housing inspection on weekly basis as per Workers Minimum Standards of Housing and Amenities Act 1990. Found that last 3 inspections were conducted on 3rd Dec 2017, 12th Nov 2017 and 23rd Oct 2017.</b>
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register	List legal requirement register available during assessment.
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	(OBS ) Found that draft -SOP Housing and Amenities inspection stated inspection must carry out on monthly basis (5.5.1) against Minimum Standards of Housing and Amenities Act 1990, housing of workers is visited and inspected weekly by an estate hospital assistant or any other responsible person authorized by the employer.
4.3.1.3	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Tn Mohd Aidil Bin Mohd Anni has been appointed as personnel in charge for legal requirement register (PIC - LRR) from 1st January 2018. Function as follow; 1. Ensuring LRR up to date and amend any new regulation coming into force 2. Documenting and issuing of document and report 3. Monitoring compliance and track update and changes in regulatory requirements.
Criterion 2	Land used right	
Indicator	Requirement	Findings
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users	Noted mill operation was located in the Paitan Estate which is the land title is belong to United Malacca Bhd under the below lot# NT.083133304, 3297, 3288, 3279, 3260, 3251 & 3331  Verified the land titile terms and expressly and only for the purpose of the cultivation of an agricultreal crop of economic value.
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	Verified the land title as an documents evidence as per below: a) Schedule X (Section 67) Title No.: Native Title 083133331- owners Akas bt Sura b) Shedule X (Section 67) Title No.: Native title 083133304- owners by Kasmah bt Abd Rahim c) Schedule X (Section 67) Title No.: Native Title 083133297- owners by Abd Rahim b Hj Kahar.
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	Sighted the mill boundary markers by the fencing surrounding the mill area.

4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	As to date, no land disputes issue been recorded.
Criterion 3	Customary rights	
Indicator	Requirement	Findings
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	No customary rights
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available	No customary rights
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.	No customary rights
<b>P4: Social responsibility, health, safety and employment condition</b>		
Criterion 1	Social impact Assessment (SIA)	
Indicator	Requirement	Findings
4.4.1.1	Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones	<p>Noted MPOM conducted the Stakeholder Meeting on 26/07/2017 with involvement from the stakeholders such as Ketua Kampung, Headmaster from SK Tangkarason, smallholders, supplier etc. MPOM establish the Management Plan On Social Impact Assessment from the feedback collected during the Stakeholder Consultation with a few issues as below:</p> <ul style="list-style-type: none"> <li>i) MPOB Licence application by smallholders- completion date on 27/07/2017</li> <li>ii) Payment slip to smallholders- Completion date on September 217</li> <li>iii) To revok the RM50 supplier fees- Completed.</li> </ul> <p><b>CAR 002</b>  <b>Noted Meridian Palm Oil already conducted the stakeholder consultation and established the Social Assessment Plan based on the feedback from the stakeholder, however there is no evidence on the other social impact factors such as Access and use rights., economic livelihood and working conditions, subsistence activities, cultural and religious values etc</b></p>
Criterion 2	Complaints and grievances	
Indicator	Requirement	Findings
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented	MPOM establish the Prosedur Aduan Version 1 with issue date 19/09/2017.

4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	Verified the Complaint Form/Borang Aduan as below: a) Malilna bte Ayun dated 25/09/2017 resolve the complaint on 03/10/2017- within 14 days. b) Gabok bin Sadong dated 27/08/2017 resolve the complaint 10/09/2017 within 13 days. c) Jaafar bin Sagitudi dated 05/09/2017 resolve the complaint on 21/09/2017 more than 14 days due to waiting for the shower availability.
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	Observe the Complaints Form/ Borang Aduan was available at the Security Guard House and Office. For stakeholder they can request the Complaints Form from the Security Guard House.
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time	All stakeholder are freely to request the Complaint Form from the Mill Management and submit by insert to the Complaint Box in front of the mill office.  The communities surrounding was aware with the complaint procedure and explanation was done during the stakeholder consultation and most of the mill workers are from the local communities.
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.	Observe all the complaints was complete done the action taken and documented in the File B12 Complaints & Grievances.
<b>Criterion 3</b>	<b>Commitment to contribute to local sustainable development</b>	
<b>Indicator</b>	<b>Requirement</b>	<b>Findings</b>
4.4.3.1	Palm oil mill should contribute to local development in consultation with the local communities. Where the mills in an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	Refer to the CSR Summary List observe 30 CSR activities was done by mill management and the sample as below: a) Request to used the Pengkalan Donsui for Fishing competition on 01/09/2017 by Persekutuan Belia Jemaat Tangkarason, the request was approved by Mill Manager and sighted evidence of the fishing competition picture. b) Request of 50 liter diesel by PJKKK Kg Tj Nipis and approved by Mill Manager on 30/11/2017 and recorded in the Buku Rekod CSR. c) Request to use the mill van for transportation of the Tabika Kemas to visit the Desa Castle Dairy at Kundasang and approved by Mill Manager on 28/09/2017.
<b>Criterion 4</b>	<b>Employees safety and health</b>	
<b>Indicator</b>	<b>Requirement</b>	<b>Findings</b>
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented	Policy was established and approved by the CEO on 01/09/2017.  MPOM establish the Safety Management Plan dated 02/01/2018 and planned for Safety Training & briefing, OSH Committee meeting, Scheduled Waste, Chemical Handling etc.  Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting.
4.4.4.2	The occupational safety and health plan shall cover the following:	

<p>a) A safety and health policy, which is communicated and implemented</p>	<p>Observed the policy was display at the noticed board surrounding the mill. The policy communicated during the safety briefing and evidence as below: a) Taklimat Keselamatan dan Kesihatan dated 25/07/2017 and 10/10/2017 to all employee.</p>
<p>b) The risks of all operations shall be assessed and documented</p>	<p>Verified the HIRARC for mill operation such as laboratory, loading ramp, sterilizer, treshing etc. The HIRARC was reviewed on 18/08/2017 for laboratory and on 01/10/2015 for other activities.</p>
<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i) all employees involved shall be adequately trained on safe working practices; and ii) all precautions attached to products shall be properly observed and applied.</p>	<p>MPOM established the Safety Training Programme dated 2017 and listed training for Fire Drill Training, Mill Operation Training, Chemical handling, Laboratory training etc. Sample records: a) Inroduction in Environmental Impact Assessment in Malaysia conducted by EXTAC attended by Muguthan. b) Safety Briefing for Electrical Station dated 11/01/2018. c) Basic Life Support Training dated 04-05/12/2017 conducted by St. John Ambulance.</p>
<p>d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p>	<p>Verfied the HIRARC and required PPE such as hand glove, ear plug, safety shoe, safety helmet etc.  Verified the PPE issuance records for below sample: a) Shafiq Joshep- received ear plug on 18/12/2017, hand glove on 21/12/2017, dust musk on 27/12/2017. b) Junaidi received hand glove and dust musk on 26/12/2017. c) Wajie received safety google on 27/11/2017.</p>
<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p>	<p>MPOM establish a few prosedure related with the chemical handling as below: a) Pengendalian Stor Bahan Kimia b) Pengendalian Stor Minyak Pelincir c) Pengendalian Bahan Buangan Terjadual.</p>
<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p>	<p>MPOM appointed Mr James Joe Joseph as Safety Officer dated 12/05/2017 with approval from Senior Controller.</p>
<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the</p>	<p>Observed MPOM conducted the Safety &amp; Health Committee regularly dated 14/12/2017, 12/09/2017, 20/06/2017 etc.  Verified the Safety &amp; Health Committee Organisation chart consist of the Employer and Employee representative to ensure the 2 way communication was conducted.</p>



	employees and any remedial actions taken are recorded.	
	h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	MPOM established the SOP Pelan Tindakan Menghadapi Kebakaran dated 04/04/2016.  Observed the establishment of the ERP Team consist of First Aider, Accident Investigation, Health and Training.  Fire Drill Training last conducted on 22/02/2017
	i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite	c) Basic Life Support Training dated 04-05/12/2017 conducted by St. John Ambulance.
	j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.	Noted no accident were happen and done updated the JKPP 8 yearly with last submission to DOSH on 20/01/2017.
<b>Criterion 5</b>	<b>Employment conditions</b>	
<b>Indicator</b>	<b>Requirement</b>	<b>Findings</b>
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees	Sighted management establish the "Polisi Peluang Kesamaan" dated 01/07/2015 and Polisi Kemasyarakatan dan Hak Asasi Manusia dated 01/07/2015 and approved the CEO.  Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting.
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.	1- Refer to Polisi Peluang Kesamaan mentioned no discrimination and provide equal opportunity regardless of race, colour, sex, nationality etc. The company seek to maintain a workplace free from discrimination.  2- Verified the Employee List as at Jan 2018 there is 65 local employee and 24 foreign workers from Indonesia and Philipines.
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.	Verified the employee payslip and found the calculation of the OT and basic salary was comply with the minimum standards. Sample of pay slip as below: a) Suraya binti Sakri: ID: MPOM0018 Basic pay: Rm1,100 Normal OT: 72.5 Hrs X 7.93 = RM 575.12 PH OT: 2.5 Hrs X 15.87 = RM 39.66 Rest Day OT: 8 Hrs X 10.58 = RM 84.26  b) Rezeki bin Rahman: ID MPOM0028 Basic Pay: RM35.50/ day Normal OT: 37.5 Hrs X 6.66 = RM 249.62 Rest day OT: 2 days X 71 = RM 142.00

		<p>c) Rio Celiz Daeng: ID: MPOM0059  Basic pay: RM35.50/ day  Normal OT: 52.5 Hrs X 6.66 = RM 349.45  Rest Day OT: 0.5 Hrs X 8.88 = RM 4.44</p>
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee</p>	<p>Verified the contract agreement and found sufficient, sample as below:  a) Rio Celiz Deang agreement dated 27/06/2014 with current basic salary RM 35.50/ day  b) Suraya binti Sakri agreement dated 27/06/2017 with basic salary RM950.00  c) Rezeki bin Rahman agreement dated 27/06/2014 with current basic salary RM 35.50 day.</p>
4.4.5.5	<p>The management shall establish records that provide an accurate overview of the employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p>	<p>Verified the list of the employee dated 31/12/2017 generated from Lintra Max and sighted the data contain name, gender, date of birth, date of entry, job description and wage rate.</p>
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records</p>	<p>As per 4.4.5.4</p>
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p>	<p>Time records of employee is based on the Punch Card and the salary calculation Lintra Max. verified the salary calculation as per 4.4.5.3 and found accurate with the system calculation.</p>
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement</p>	<p>Verified the punch card and sample as below:  a) Rezeki bin Rahman  Date: 02/12/2017 - Time In: 7.47 Time Out: 16.29  Overtime: 0.5 Hour  b) Suraya binti Sakri  Date: 02/12/2017- Time In: 7.05 Time Out: 17.06  Overtime: 2 hours  c) Rio Celiz  Date: 02/12/2017- Time In: 16.03 Time Out: 8.16  Overtime: 4 Hours</p>

4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements	Verified the pay slip and punch card working time records and found the calculation is sufficient as per legal regulation.
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions	Refer to employment contract as below: Seksyen 11 employer will provide the housing complete with the water and electricity to the employee.  Seksyen 12: Employer will provide the healthcare facility and provide medical benefit to the employee
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.	Site visit at the workers quarter and found all the basic amenities and facilities was provided sufficiently such as electricity and fresh water.
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace	MPOM establish the Polisi Gangguan Seksual dated 01/07/2015 and the guideline are as per Prosedur Aduan Mengenai Gangguan Seksual di Tempat Kerja dated 19/09/2017.
4.4.5.13	The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.	MPOM show the respect the right of employees to join the trade union as per Polisi Kemasyarakatan Dan Hak Asasi Manusia dated 01/07/201 however noted employee not join any national trade union at this point of assessment.
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.	Verified the Employee name list and the youngest employee age is 20 years old.
Criterion 6	Training and competency	
Indicator	Requirement	Findings

4.5.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.	Verified the Training Needs Analysis for all employee dated 10/10/2017 and reflect the training needs in the Safety Training Programme 2017.
4.5.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.	Verified the Training Needs Analysis for all employee dated 10/10/2017 and reflect the training needs in the Safety Training Programme 2017. Sample records: a) Employee Name: Halil Zalil dated 10/10/2017 dated 10/10/2017 required for Safety Training.  b) Employee Name: Rodelyn, Asman, Kamariah dated 02/11/2017 required for Laboratory SOP Training.
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	MPOM established the Safety Training Programme dated 2017 and listed training for Fire Drill Training, Harvester and Pruning, Chemical handling & spraying techniques etc. Sample records: a) Introduction in Environmental Impact Assessment in Malaysia conducted by EXTAC attended by Muguthan. b) Safety Briefing for Electrical Station dated 11/01/2018. c) Basic Life Support Training dated 04-05/12/2017 conducted by St. John Ambulance.
<b>P5 Environment, natural resources, biodiversity and ecosystem services</b>		
Criterion 1	Environmental management plan	
Indicator	Requirement	Findings
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.	Sighted management establish Polisi Alam Sekitar dated 01/07/2015 and approved by the CEO.  Communication of the policy sighted done by display at the notice board, briefing during tool box meeting and explain the policy to the stakeholder during the stakeholder meeting.
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations	MPOM establish Environmental Management Plan dated 02/01/2018 planned improvement for below issue: i) Best practice for SW handling ii) Conservation of water & buffer zone iii) Conservation of Biodiversity Population iv) Domestic Waste Management  MPOM establish the Environmental Aspect And Impact Identification dated 01/09/2017 and identified the aspect & impact of mill operation to the environment. Sample of the impact as below: a) Station: EFB Process Env. Aspect: Spillage/ overflow of CPO Impact: Land contamination, unpleasant working environment and business impact. b) Station: Workshop- Lathe machine Env. Aspect: Power consumption of electricity Impact: Business impact c) Station: Product Storage & Dispatch Env. Aspect: Air emission

		Impact: Air pollution and unpleasant working environment.
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.	MPOM establish the Continual Improvement Programme dated 07/08/2017 and identify the impact and the positive impact. Sample of the programme as below:  a) Section: Boiler Impact: Water pollution, noise pollution etc Positive: To install Advance Cyclone System to trap dust  b) Water Treatment Impact: Water pollution Positive: Install water tank at mill and apply dry cleaning method using fiber instead of water.  c) Effluent Treatment Impact: Water and soil pollution Positive: Install compost plant by 2018 budget.
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan	As per 4.5.1.3
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	Refer to the Training Record and sighted sufficient training related to environment and sample as below: a) Introduction on Environmental Impact Assessment in Malaysia dated 27-28/07/2017 attended by Mr Muguthan conducted by EXTAC b) Guided Self Regulation (GSR) dated 20/07/2017 attended by Mr Muguthan conducted by DOE Sabah. c) Briefing on the 5R, 3R and No Open Burning Campaign on 03/01/2018 conducted internally and attended by all employees.
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed	Observed MPOM included discussion of the environmental matters during the Safety & Health Committee regularly dated 14/12/2017, 12/09/2017, 20/06/2017 etc
Criterion 2	Efficiency of energy use and use of renewable energy	
Indicator	Requirement	Findings
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	MPOM monitored the Diesel usage by record in Summary of Diesel Usage & Received for year 2014 - 2016 and the usage of diesel is 2014 (264, 463 liter), 2015 (314, 907 Liter) and 2016 (348, 088 Liter).  Observation Noted MPOM already implement the usage of the LED lamp and increase the steam turbine capacity however the action taken was not plan.

4.5.2.2	Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.	<b>CAR 005</b> <b>No measurable of the estimation of the non-renewable energy use and efficiency of their operation of Non-renewable energy consumption/usage (per tonne FFB) records and data shall be documented.</b>
4.5.2.3	The use of renewable energy should be applied where possible	Noted MPOM generated the electricity by genset and monitored the power generated for year 2014 (344,540 kW), 2015 (462,346kW) and 2016 (535,560kW).
Criterion 3	Waste management and disposal	
Indicator	Requirement	Findings
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	MPOM listed all the SW generated as per List Of Waste Produced By MPOM and listed the SW such as SW 305, SW 306, SW 409, SW 410 etc. and registered online into the eswiss.doe.gov.my.  <b>CAR 003</b> <b>During site visit, observed that the empty chemical container in the scheduled waste store was not registered in the E-SWISS.</b>
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products.	MPOM establish the Waste Management Plan dated 07/08/2017 and sample as below; a) Spent lub Oil and hydraulic oil Source: Vehicles Control measures: Stored in containers, proper labeling etc. Action: Update inventory  b) Contaminated soil, debris or matter resulting from cleaning chemical or oil Sources: Cleaning up spillages Control measures: Store in separate container Action: Disposal to the registered contractor
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.	MPOM establish the SOP Pengendalian Bahan Buangan Terjadual dated 11/11/2016.  verified the SW inventory updated into the eswiss for as below: a) Inventory# 1221H2131287112018 for month of January 2018- SW305 (0.39 MT), SW306 (0.35 MT) and SW410 (0.05 MT). b) Inventory# 1221H21312871122017 for month of December 2017- SW305 (0.02 MT), SW306 (0.36 MT) and SW410 (0.05 MT).  Verified last SW disposal was done on 18/08/2017 collected by Legenda Bumimas Sdn Bhd and consignment note detail as below: a) Cons. Note# 023192 for SW305 b) Cons. Note#023187 for SW306 c) Cons.Note# 02391 for SW102.
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.	Domestic waste will be managed by Paitan Estate and establish the Schedule Waste disposal on every Monday and Friday.  Noted MPOM just implement the 3R Programme since December 2017.
Criterion 4	Reduction of pollution and emission	
Indicator	Requirement	Findings

4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent	MPOM do the assessment of the polluting by done the final discharge water quality analysis and analyzed by Dynakey Laboratories and the result as below: a) Final Discharge Effluent dated 09/12/2017 b) Final Discharge Effluent dated 11/11/2017 c) Final Discharge Effluent dated 09/10/2017  All the analysis result was below the limit as per Jadwal Pematuhan Lesen No.: JPKKS/12/004519
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented	As per 4.5.3.2
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.	As per 4.5.4.1
Criterion 5	Natural water resources	
Indicator	Requirement	Findings
4.5.7.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:	MPOM establish the comprehensive assesment report of water usage as per Water Management Plan for FY 2016/17.
	a) Assessment of water usage and sources of supply.	Do recording on the 3 years water consumption as per CPO, PK, PKS, Fiber, POME Production And Water Consumption record and updated monthly with sample as below:  a) April 2017- 21,019 Liter b) March 2017- 15.402 liter c) February 2017- 15,037 Liter
	b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities	MPOM do the assessment of the polluting by done the final discharge water quality analysis and analyzed by Dynakey Laboratories and the result as below: a) Final Discharge Effluent dated 09/12/2017 b) Final Discharge Effluent dated 11/11/2017 c) Final Discharge Effluent dated 09/10/2017  All the analysis result was below the limit as per Jadwal Pematuhan Lesen No.: JPKKS/12/004519

	c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).	During site visit observe a) the installation of the water tank to capture the rain water b) Monthly check the piping condition at mill housing c) Recycle water from engine room to WTP.  <b>CAR 006</b> <b>Noted stated in the Water Management Plan a few action taken on the reduce of the water consumption and one of the action plan is to monthly inspection of the piping condition at mll housing, however no evidence on the inspection was conducted as per plan.</b>
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.	MPOM do the assessment of the polluting by done the final discharge water quality analysis and analyzed by Dynakey Laboratories and the result as below: a) Final Discharge Effluent dated 09/12/2017 b) Final Discharge Effluent dated 11/11/2017 c) Final Discharge Effluent dated 09/10/2017  All the analysis result was below the limit as per Jadual Pematuhan Lesen No.: JPKKS/12/004519
<b>P6: Best Practices</b>		
Criterion 1	Mill management	
Indicator	Requirement	Findings
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	MPOM establish the SOP for mill operation consist and documented in the File B3 Safety Operating Procedures.
4.6.1.2	All palm oil mills shall implement best practices.	Verified the work stations at MPOM and sample as below:  1) Boiler Station  a) Establish the Work Instruction: Boiler Station dated 01/04/2016. b) Verified the Check Sheet For Boiler No. 2 and found sufficient with updated the checksheet for every hours. c) Verified the Steam Flow Chart for Boiler No. 2 dated 15/01/2018. d) Competency of the Boiler Man as below: i) Amirshah bin Juhaini- Perakuan Kebolehan# SB/16/EIS/01/8 dated 19/05/2016 e) Maintenance of the boiler apply the confined space requirement with PTW application dated 30/11/2017. Requirement of gas testing was comply and done by Mr Muguthan ( AGT# NW-HQ-AGT-0065-P issued by NIOSH)  2) Engine Room a) Establish the SOP Generatot dated 10/05/2015 b) The parameter of the engine room was recorded in the Genset Record Book. c) The competent person is Abdul Laham with No Perakuan: H/ED/26/00 dated 10/07/2000



		<p>3) Laboratory</p> <p>a) Establish the SOP of Process Control Laboratory Testing Manual dated 2009 and refer to MPOB Test Methods.</p> <p>b) Ms Biltiah (Lab Executive) attended the Kurusu Pengendalian Makmal at MPOB in 21-20/11/2017.</p> <p>c) CHRA was conducted and assessment done to the hazardous chemical such as hexane, alcohol etc. and all necessary action taken been done.</p> <p>i) Chemical Exposure Monitoring Report dated 26/02/2016.</p>
<b>Criterion 2</b>	<b>Economic and financial viability plan</b>	
<b>Indicator</b>	<b>Requirement</b>	<b>Findings</b>
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	<p>Verified the MPOM year 2017/2018 budget as below:</p> <p>a) Capital Expenditure Budget For Year 2017/2018 consist of badget for buildings, electrical, plant &amp; machinery, water supply, office equipment and furniture &amp; fittings.</p> <p>b) Budget Mill Processing Cost Summary For Fiscal Year 2018 consist of maintenance &amp; repair, general machinery etc.</p>
<b>Criterion 3</b>	<b>Transparent and fair price dealing</b>	
<b>Indicator</b>	<b>Requirement</b>	<b>Findings</b>
6.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	<p>Verified the Internal Memo from Sales &amp; Purchasing Department dated 11/01/2018 as per MPOB price- Grade A (RM488.20), Grade B (Rm482.67) and Grade C (Rm477.05).</p> <p>Sighted the price was display at the front of the weighbridge station.</p>
6.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in a timely manner	Noted MPOM was received the FFB from the smallholders without any solid agreement and there is no force to smallholders to supply the FFB to MPOM. Verified the payment to the smallholders and found adequate.
<b>Criterion 4</b>	<b>Contractor</b>	
<b>Indicator 1</b>	<b>Requirement</b>	<b>Findings</b>
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO	<p>MPOM conducted the briefing regarding the MSPO Awareness to the contractors and initial the briefing content and sample records as below;</p> <p>a) P&amp;T Industrial Supply dated 06/09/2017</p> <p>b) Supreme Evershine Sdn Bhd dated 19/09/2017</p> <p>c) LH Parts Sdn Bhd dated 06/09/2017</p> <p>d) Millivest Sdn Bhd dated 14/09/2017.</p>
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	<p>MPOM will issue the Letter Of Acceptance to the awarded company and the sample as below:</p> <p>a) Mid Marvel Engineering Sdn Bhd dated 31/03/2017 for Installation Of Fire Alarm</p> <p>b) Pakarmax Electrical Sdn Bhd dated 28/04/2017 for Install of electrical lighting works</p> <p>c)</p>

4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required	Not applicable
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**Observation for Improvement**

Details
<p>1) 4.4.2 Complaints and grievances MPOM establish the complaint procedure and the action taken of the complaint will be based on the impact level A and B, however no criteria to identified the complaint risk level.</p> <p>2) 4.5.6 Training &amp; Competency Noted the Training Need Analysis was done for the safety element only and not apply to the other skill required for mill operation.</p> <p>3) 4.6.1 Best Practice During site visit verified the Standard Operation Procedure, Work Instruction, Safety Operation Procedure and the procedure is</p> <p>4) 4.5.2 Efficiency of use energy use Noted MPOM already implement the usage of the LED lamp and increase the steam turbine capacity however the action taken was not plan.</p> <p>5) 4.6 Best Practice Noted MPOM was establish a number of procedure such as Standard Operation Procedure, Safety Operation Procedure, Work Instruction or manual, however there is no standard document to be refer for the operation eg. Boller Room refer to Work Instruction, Engine Room refer to Standard Operation Procedurde and Laboratory refer to Manual.</p> <p>6) 4.3.1 regulatory Requirement Found that draft -SOP Housing and Amenities inspection stated inspection must carry out on monthly basis (5.5.1) against Minimum Standards of Housing and Amenities Act 1990, housing of workers is visited and inspected weekly by an estate hospital assistant or any other responsible person authorized by the employer.</p>













During the assessment\_6\_nonconformities were identified.

**APPENDIX 1 ATTENDANCE LIST**

**MERIDIAN PLANTATIONS SDN BHD**  
**MERIDIAN PALM OIL MILL**

Date : 16.01.2018

Subject : MSP0 2<sup>nd</sup> stage Audit (Closing meeting)

NO.	NAME	DESIGNATION	SIG
01	Mohd. Aidil B. Mohd. Amri	AE	
02	Bitrah Udat	QA	
03	Ravi K. Pae	Tr. Chief Clerk	
04	Yan Boon Keong	D/M Assessor	
05	JEFFRY AHMAD	MM	
06	M. MUGATHAN	MM	
07	Low Fook Sin	Sr. Manager	
08	James Joo Juehl	Self g/b	
09	SHARMA HASRIAR B. MANJOR	EXEC	
10	HUSKANI FARI	CE	
11	Ranley Rumbin	S/b	
12	Mohamad Zulkefli	Auditor	
13			
14			
15			
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