# MSPO
# CERTIFICATION SUMMARY REPORT

## HAP SENG PLANTATIONS (RIVER ESTATES) SDN BHD

## TOMANGGONG PALM OIL MILL

ANNUAL SURVEILLANCE 1

Date : 28/01/2019

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## Abbreviations

| | |
|---|---|
| **CHRA** | Chemical Health Risk Assessment |
| **CPO** | Crude Palm Oil |
| **DOE** | Department of Environment |
| **EFB** | Empty Fruit Bunch |
| **EIA** | Environment Impact Assessment |
| **ERT** | Endangered Rare and Threatened species |
| **FFB** | Fresh Fruit Bunch |
| **GMP** | Good Milling Practice |
| **GPS** | Global Positioning System |
| **HCV** | High Conservation Value |
| **SDS** | Safety Data Sheet |
| **NC** | Non Conformity |
| **OSH** | Occupational Safety and Health |
| **P&C** | Principle and Criteria |
| **PK** | Palm Kernel |
| **POME** | Palm Oil Mill Effluent |
| **PPE** | Personal Protective Equipment |
| **SA8000** | Social Accountability 8000 |
| **SIA** | Social Impact Assessment |
| **SOP** | Standard Operating Procedure |
| **MT** | Metric Tonnes |
| **WHO** | World Health Organization |
| **MPOB** | Malaysian Palm Oil Board |
| **HBV** | High Biodiversity Value |
| **TPOM** | Tomanggong Palm Oil Mill |

## 1. INTRODUCTION

Hap Seng Plantations (River Estates) Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct Surveillance 1 audit for its Tomanggong Palm Oil Mill according to MS 2530-4:2013 Part 4 General principles for palm oil mills.

### 1.1. Objective

The objective of this surveillance 1 audit is to assess Tomanggong Palm Oil Mill by an independent certification body with the aim for compliance of the standards.

### 1.2. Scope

The assessment is based on the documentation developed by the Tomanggong Palm Oil Mill and Hap Seng Plantations (River Estates) Sdn. Bhd.

The supporting documents were provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information were reviewed against the requirements and criteria based on MS 2530-4:2013 Part 4 General principles for palm oil mills. TUV NORD Malaysia has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

In addition, the following reference was used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mill audit guidance;
2. Palm Oil Supply Chain Traceability Requirement, Document MPOB/MSPO/TR/07

### 1.3. Appointment and Qualification of team members

An assessment team consisting of one team leader, 3 team members and 2 trainee auditors are appointed. During onsite the team review documents, onsite inspections interviews, to assess the project activity and preparation of this report under the leadership of the team leader.

**Qualification of the Lead Auditor: Zul Hairi Bin Abu Hassan (Trainee)**

| Requirement | Qualifications |
|---|---|
| Post-secondary education, college or university diploma / degree in one of the following<br>i) Agriculture;<br>ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);<br>iii) Engineering, Process Technology;<br>iv) Energy Management, Quality Management;<br>v) Social Sciences and/or Anthropology;<br>vi) Business Management; or<br>vii) Other relevant related fields | Graduate in Plantation Industry Management |

| Requirement | Qualifications |
|---|---|
| At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science) | 9 years working experience in estate management. |
| Attended the MS 2530 series of standards training | Successfully completed MSPO Lead auditor training course |
| Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years. | Has conducted 2 MSPO certification as lead auditor in training |
| A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language. | Able to communicate in Bahasa Malaysia and English languages. |
| Field working experience in the palm oil sector, or demonstrable equivalent | 9 years working experience in estate management. |
| Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use | 9 years working experience in estate management. |
| Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System | Successfully completed Lead Auditor Course ISO 45001:2018 |
| Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes | Successfully complete SA8000 Basic Training and 1 year auditor for RSPO and MSPO scheme |
| Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV) | Successfully completed EMS ISO 14001: 2015 Lead Auditor training. |
| Good Milling Practices for example palm oil milling working experience or demonstrate equivalent. | Successfully completed Lead auditor RSPO SCC training. |

## Qualification of Team Members

| Requirement | Assessor | Qualification | Compliance |
|---|---|---|---|
| Post-secondary education, college or university diploma / degree in one of the following | Terence, Ang Wai Sheng | Diploma and Advance Diploma in Tourism Management | Yes |

| Requirement | Assessor | Qualification | Compliance |
|---|---|---|---|
| i) Agriculture;<br>ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);<br>iii) Engineering, Process Technology;<br>iv) Energy Management, Quality Management;<br>v) Social Sciences and/or Anthropology;<br>vi) Business Management; or<br>vii) Other relevant related fields | Mohamad Norhisham Bin Mohd Salleh | Graduate in Agrobiology | Yes |
| | Sheron, Pui Ling Wui | Graduate in Medical Science (Life science) | Yes |
| | Muhammad Khairul Anuar Bin Azizul Hasan (Trainee Auditor) | Graduate in Plantation Industry Management | Yes |
| | Ariff Bin Lokman (Trainee Auditor) | Graduate in Plantation Industry Management | Yes |
| At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science) | Terence, Ang Wai Sheng | More than 9 years in sustainable related field | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | 5 years working experience in palm oil estates. | Yes |
| | Muhammad Khairul Anuar Bin Azizul Hasan (Trainee Auditor) | 7 years working experience in palm oil estates. | Yes |
| | Ariff Bin Lokman (Trainee Auditor) | 6 years working experience in palm oil estates. | Yes |
| Attended the MS 2530 series of standards training | Terence, Ang Wai Sheng | Successfully completed MSPO Lead auditor training course | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Successfully completed MSPO Lead auditor training course | Yes |
| | Sheron, Pui Ling Wui | Successfully completed MSPO Lead auditor training course | Yes |
| | Muhammad Khairul Anuar Bin Azizul Hasan (Trainee Auditor) | Successfully completed MSPO Lead auditor training course | Yes |
| | Ariff Bin Lokman (Trainee Auditor) | Successfully completed MSPO Lead auditor training course | Yes |
| Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction | Terence, Ang Wai Sheng | Qualified as auditor base on audit log. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Qualified as auditor base on audit log. | Yes |

| Requirement | Assessor | Qualification | Compliance |
|---|---|---|---|
| and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes. | Sheron, Pui Ling Wui | Qualified as auditor base on audit log. | Yes |
| A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language. | Terence, Ang Wai Sheng | Bahasa Malaysia, English and Mandarin. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Bahasa Malaysia, English | Yes |
| | Sheron, Pui Ling Wui | Bahasa Malaysia, English and Mandarin. | Yes |
| | Muhammad Khairul Anuar Bin Azizul Hasan (Trainee Auditor) | Bahasa Malaysia, English | Yes |
| | Ariff Bin Lokman (Trainee Auditor) | Bahasa Malaysia, English | Yes |
| Field working experience in the palm oil sector, or demonstrable equivalent | Terence, Ang Wai Sheng | 1 year as Certifier and Reviewer for RSPO P&C and SCC schemes<br>1 year as Wildlife (Biodiversity) and Ecotourism Consultant (EMS & HCV)<br>3 years as Wildlife Guide (Licensed issued by Ministry of Tourism, Malaysia)<br>6 months as Field Technician for University of Montana on HC | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | 5 years working experience in palm oil estates. | Yes |
| | Muhammad Khairul Anuar Bin Azizul Hasan (Trainee Auditor) | 7 years working experience in palm oil estates. | Yes |
| | Ariff Bin Lokman (Trainee Auditor) | 6 years working experience in palm oil estates. | Yes |
| Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use | Terence, Ang Wai Sheng | 2 years auditor for RSPO and MSPO schemes | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | 5 years working experience in palm oil estates. | Yes |

| Requirement | Assessor | Qualification | Compliance |
|---|---|---|---|
| | Muhammad Khairul Anuar Bin Azizul Hasan (Trainee Auditor) | 7 years working experience in palm oil estates. | Yes |
| | Ariff Bin Lokman (Trainee Auditor) | 6 years working experience in palm oil estates. | Yes |
| Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System | Terence, Ang Wai Sheng | Successfully completed Lead Auditor Course ISO 45001:2018 | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Successfully completed Lead Auditor Course ISO 45001:2018 | Yes |
| | Sheron, Pui Ling Wui | Successfully completed Lead Auditor Course ISO 45001:2018 | Yes |
| | Muhammad Khairul Anuar Bin Azizul Hasan (Trainee Auditor) | Successfully completed Lead Auditor Course IMS 9001,14001,45001 | Yes |
| | Ariff Bin Lokman (Trainee Auditor) | Successfully completed Lead Auditor Course IMS 9001,14001,45001 | Yes |
| Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes | Terence, Ang Wai Sheng | Successfully completed Basic SA 8000 training and qualified as RSPO and MSPO sustainability auditor. | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Successfully completed Basic SA 8000 training and qualified as RSPO and MSPO sustainability auditor. | Yes |
| | Sheron, Pui Ling Wui | Successfully completed Basic SA 8000 training and qualified as RSPO and MSPO sustainability auditor. | Yes |
| Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV) | Terence, Ang Wai Sheng | Successfully completed EMS ISO 14001: 2015 Lead Auditor training. | yes |
| | Mohamad Norhisham Bin Mohd Salleh | Successfully completed EMS ISO 14001: 2015 Lead Auditor training. | Yes |
| | Sheron, Pui Ling Wui | Successfully completed EMS ISO 14001: 2015 Lead Auditor training. | Yes |

| Requirement | Assessor | Qualification | Compliance |
|---|---|---|---|
| | Muhammad Khairul Anuar Bin Azizul Hasan (Trainee Auditor) | Successfully completed Lead Auditor Course IMS 9001,14001,45001 | Yes |
| | Ariff Bin Lokman (Trainee Auditor) | Successfully completed Lead Auditor Course IMS 9001,14001,45001 | Yes |
| Good Milling Practices for example palm oil milling working experience or demonstrate equivalent. | Terence, Ang Wai Sheng | Has involved in auditing for RSPO SCC standard | Yes |
| | Mohamad Norhisham Bin Mohd Salleh | Has involved in auditing for RSPO SCC standard | Yes |

## 2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Final approval and issuance of certificate.

**Annual Surveillance 1**

Annual surveillance 1 is conducted on 05/10/2018 covers the following activities but not limited to below:

- Onsite inspection, observations and inspections of mill facilities such as process, workshops, stores, wastewater treatment system, waste handling and disposal sites, workers and staff living quarters, receiving and delivery of products for compliance to relevant Principles & Criteria of the applied standard;
- Interview operation personnel for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during stage 2 audit;
- Assessment reporting;

For list of personnel participated in the audits refer attendance sheet and Table 7.1.

### On-site Assessment

The audit of the estates was conducted according to the MS 2530-4: 2013 Part 4: General principles for palm oil mills.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

### Non-conformance:

Major non-conformance shall be addressed and responded with 60 days from date of audit closing meeting. All minor non-conformances action plan submitted within 30 days after date of audit closing meeting, review and accepted by Lead Auditor. Implementation of Minor NCs and OBS will be review and verify during the next audit.

## 3. ORGANISATION INFORMATION

Tomanggong Palm Oil Mill is the subsidiary of Hap Seng Plantations (River Estates) Sdn Bhd located at Lahad Datu, Sabah, Malaysia.

Tomanggong CPO Mill meets all Malaysia Palm Oil Board licensing requirement. The mill begins operation on 15/03/1963 with an operating capacity of 40 MT per hour.

| Name of Mill | Location | Coordinates |
|---|---|---|
| Tomanggong POM | 80km off Jalan Jeroco, Lahad Datu | N 5.427306°; E 118.659306° |

### 3.1. Production volume

| Volume for the past year Jan 2017 to Dec 2017 (mt) | | | Actual volumes Jan 2018 to Sep 2018 (mt) | | | Projected volume Jan 2019 to Dec 2019 (mt) | | |
|---|---|---|---|---|---|---|---|---|
| **FFB** | **CPO** | **PK** | **FFB** | **CPO** | **PK** | **FFB** | **CPO** | **PK** |
| 125,876.33 | 28,125.40 | 5,446.52 | 84,043.38 | 18,323.71 | 3,599.31 | 268,025 | 59,111 | 11,823 |

### 3.2. Maps of Company and Mill Location

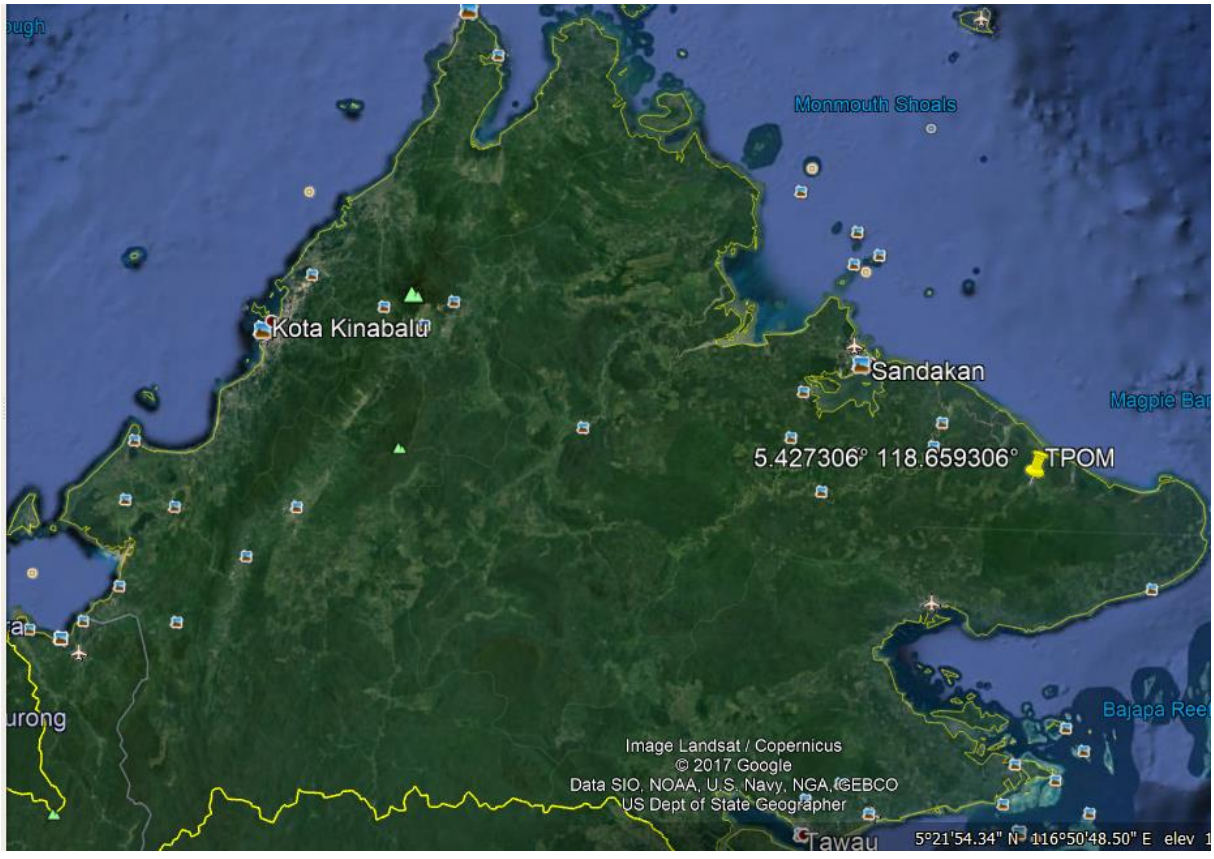


Figure 1: Location of Tomanggong Palm Oil Mill.

Figure 2: Location of Tomanggong Palm Oil Mill with other Hap Seng Plantations Group Estates and Mills.

## 4. CERTIFICATION ASSESSMENT

### 4.1. Annual Surveillance 1

The objective of the ASA 1 is to assess the activities of the mill are in compliance with MS 2530-4: 2013 Part 4: General principles for palm oil mills.

Number of audit findings raised in this audit are addressed in Section 4.4 of this audit report. For details of the assessment, refer to summary of assessment in this report.

#### 4.1.1. Annual Surveillance 1

The ASA 1 is conducted on 05/10/2018 at Tomanggong Palm Oil mill.

The objective of the ASA1 is to assess the implementation of the documentation established in accordance to MS 2530-4: 2013 Part 4: General principles for palm oil mills.

### 4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 29/08/2018 to obtain feedback and comments. As at audit date on 01/10/2018 there are no comments received.

In addition, invitation letters are sent on 29/08/2018 to invite relevant stakeholders to attend a local stakeholder consultation on 01/10/2018 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

1. Introduction of Tomanggong POM MSPO certification.
2. Community service and support provided by Tomanggong POM
3. Local communities' development.

The following relevant Principles & Criteria of the applied standard have discussed during the stakeholders' consultation:

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:

   The stakeholders could confirm they have attended meetings with Hap Seng Plantations personnel on MSPO certification.

2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint

   The stakeholders' advice they have been informed a logbook and form is available to lodge any complaints or suggestions is available at the office.

3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.

   The stakeholders could confirm the company has provided assistance and support to communities.

4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information

   The stakeholder who provides maintenance and service could confirm briefing on MSPO requirements have been provided.

TUV NORD (Malaysia) Sdn. Bhd has published the public notification on 29/08/2018 as to accommodate stakeholder's consultation meeting for Tomanggong Palm Oil Mill.

There are no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be addressed by the certified unit. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The list of stakeholders who attended the meeting refer to Table 7-1.

| Items | Subject discussed | Audit team findings | Company response and proposed action to be taken |
|---|---|---|---|
| 1 | Any information from Company in regards to the MSPO audit? | Interviewed stakeholders are aware of the certification scheme of Hap Seng Group. They are aware of other schemes certificates held by Hap Seng Group such as RSPO and ISCC. | Hap Seng Group conduct internal stakeholder meeting annually and external once in two year. |
| 2 | Social context | During interviewing with internal stakeholder Hap Seng Group provide social activities to neighbouring village Kg Litang. Hap Seng assist in road maintenance, supply clean water during dry season and, free medical support for the villages.<br>Hap Seng Group provide Humana school for foreign workers children and invite neighbouring plantations children to attend at the school. | Good comment from the Hap Seng Group |
| 3 | Understanding of "NCR Land"? | A few attendees from different group example from Jabatan Pertanian informed there are no issues concerning Hap Seng land. | Hap Seng Group land titles are country leased. |
| 4 | Economy / livelihood<br>Is there any impact on livelihood after the introduction of MSPO? | Surrounding, villagers confirmed the opportunity of work have increase in r Hap Seng Group. Many of the younger generation are now working with Hap Seng Group mill or estate workers. Some are now in executive level. Thus improve the livelihood of the people. | Hap Seng Group will continues to provide support to local communities. |
| 5 | Does MSPO will largely benefits the local community? | Hap Seng Group MSPO certification has largely benefit the local community. There are | Hap Seng Group will continues to provide support to community. |

| Items | Subject discussed | Audit team findings | Company response and proposed action to be taken |
|---|---|---|---|
| | | job opportunities for local communities. | |
| 6 | Environmental understanding | The attendees understand environmental from training provided. | Good comment from the stakeholders |
| 7 | Awareness towards species, habitats, and high conservation values? | Stakeholders could name the animals which are listed as protected and mention in the training. | Good comment from the stakeholders |
| 8 | Support to smallholders | Smallholders, outgrower and other plantations mention Hap Seng Group provides great support and assist the smallholders in MSPO certification process. | Good comment from the stakeholders |
| 9 | FFB quality | There are complaint on quality of FFB. Stakeholders mention that Hap Seng Mills have a strict grading process, they confirmed they are abiding to the quality. The records of grading is provided to smallholders. | Quality is the priority for the Hap Seng Group to produce high quality oil and follow all relevant requirements of FFB quality. Training and monitoring is conducted to give good results. |
| 10 | Are there any plantation or mill management practices that affect you? | There is no complaint from the stakeholders on Hap Seng Group. | Hap Seng Group fully committed and always improved their relationship with the stakeholders via meeting. |
| 11 | Do you consider any management is in conflict with the MSPO certification? | There are no conflicts raise for MSPO certification. | Hap Seng Group follow MSPO requirements. |
| 12 | Do you have any suggestions for management? | Stakeholders attend would like to involve more in programme that held by Hap Seng Group.<br>One of the attendees mention Hap Seng Group could update job vacancy in the Job Malaysia Website. | Hap Seng Group fully committed to any complaint or suggestion from stakeholders. |

## 4.3. Summary of Assessment

| MSPO Principle and sample of the Criteria Assessment Summary |
|---|
| The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits all criterions will be assessed. Evidences were sought for conformity with the MSPO 2530-4:2013 Part 4: General principles for palm oil mills. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences when non conformity is found. Summary of the non-conformity can be found below |

| **Principle 1: Management Commitment & responsibility** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| 4.1.1 | TPOM adopted the group MSPO Policy dated 24/03/2017 approved by Chief Executive – Group Plantation.<br>The policy is display at mill notice board and security guard house.<br>The policy includes a statement committed to continual improvement practice by harnessing its resources of people processes and technology in order to ensure the continuous production of oil palm products in a sustainable manner. | Yes |
| 4.1.2 | JPOM1 adopted the group internal audit procedure and flowchart date revised on 05/02/2018.<br>The objective of the internal audit is to determine the strength, weakness and potential area for improvement<br>Internal audit is conducted on 13/07/2018 regularly on yearly basis.<br>There are 5 findings observed in the internal audit for improvement<br>Management review is conducted on 20/07/2018 to discuss the fibdings from internal audit for improvement. | Yes |
| 4.1.3 | The management review meeting is held on 20/07/2018 to review results of the internal audit and action plan improvement.<br>The meeting agenda includes following:<br>1. Internal audit results<br>2. Improvement plan for corrective actions of findings raised in internal audit.<br>3. External audit.<br>4. Previous management review<br>5. Any other business | Yes |
| 4.1.4 | The continuous improvement plan establish dated 27/09/2018 with consideration of social and environmental impact and opportunities and action plan for improvement.<br>Example:<br>Environmental Impact Assessment dated 18/02/2018.<br>CIP on pollution prevention of used oil, chemical, diesel usage and smoke emission strategies on mill operations | Yes |

| **Principle 1: Management Commitment & responsibility** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| | TPOM establish a system to improve practices in line with new information and techniques.<br>TPOM plan for the Biogas will be constructed in 2019. | |

| **Principle 2: Transparency** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| 4.2.1 | TPOM adopted the group establish Procedure Memohon Maklumat, last updated 03/2017 reference number HSPSB P1 1120 (C). Request of information using request information form.<br>Sighted list of publicly available documents reference HSPSB P1 1120(C) last updated on 01/03/2017.<br>Example of documents publicly available are:<br>1. Sustainability Policies<br>2. Sustainability annual report<br>3. Environmental s report<br>4. Land titles upon request | Yes |
| 4.2.2 | TPOM adopted the group procedure. “Melapor Aduan dan Permasalahan” stakeholder updated on 31/03/2018 for the transparent method of communication and consultation.<br>Persons in charge for the relevant communication is the mill manager<br>**OBS:**<br>**TPOM has establish and update list of stakeholders with WWF and Hhumana listed as NGOs. However, the management could consider to include other local or regional NGOs in the list. .** | OBS |
| 4.2.3 | TPOM adopted the group SOP for Traceability doc no: SOP/COC/002 dated 31/05/2018.<br>Stated in the SOP, the Mill Manager is responsible for the overall Chain of Custody activities.<br>JPOM1 receive FFBs from internal supply bases of the Hap Seng River Estates (Tomanggong Group).<br>Outgoing CPO and PK documents to buyer sighted and in line with the traceability requirement. | Yes |

| **Principle 3: Compliance to legal requirements** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| 4.3.1 | TPOM has establish the List of summary of licenses and permits with validity period.<br>Example: | Yes |

| **Principle 3: Compliance to legal requirements** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| | • Business license no. A232597 expire on 31/12/2018.<br>• DOE license no. 003446, expire on 30/06/2019.<br>• MPOB license no. 50003460400, expire on 31/03/2019<br>• Electricity generation license no. 20024, expire on 15/03/2019.<br>TPOM adopted the group 'List of Legal Register' dated 30/07/2018 updated by agronomy department. The list include a representation E = Estate and M = Mills to indicate which legal requirements are applicable to the mill.<br>For example:<br>• Employee Provident Fund Act 1991<br>• Environmental Quality Act 1974<br>From the interview with the mill assistant manager, he is aware of the applicable laws and regulations.<br>The 'mechanism for tracking any changes in legal requirements dated 25/06/2015 state the changes through news release, internet, circulars from relevant associations such as MPOB and etc.<br>The list will be updated as and when new legislations are released.<br>The implementation of laws and regulations will be monitored by the plantation advisor and sustainability team.<br>Mill manager is the appointed person in charge of monitoring compliance and update of changes at mill. Appointment letter dated 08/08/2017 sighted. | |
| 4.3.2 | TPOM is located in Tomanggong estate and there is no diminish of land use rights. Tomanggong estate land title is country leased.<br>The estate map is review where TPOM is located. | Yes |
| 4.3.3 | TPOM is located in Tomanggong estate.<br>There is no complaint arise on the matter of user right. Map and land title is reviewed. There is no conflict therefore no negotiation documents. | Yes |

| **Principle 4: Social Responsibility, health, safety and employment conditions** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| 4.4.1 | Social Impact Assessment, management action plans and continuous improvement plans dated 27/09/2018 for Hap Seng River Estates (Tomanggong) Group that includes TPOM.<br>The SIA report include positive and negative impacts.<br>The SIA include local communities' assessment.<br>The information gather during stakeholder consultation (internal & external) commented that Hap Seng group has no labour issues and compliance to legal requirements | Yes |

| **Principle 4: Social Responsibility, health, safety and employment conditions** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| 4.4.2 | TPOM adopted the group SOP complaints and grievance 'Melapor Aduan dan Permasalahan (Pihak Berkepentingan Luaran)' ref: HSPSB P1 1120 latest review on 31/03/3018.<br>The procedure is available in both English and Bahasa Malaysia languages<br>The procedure state the time to resolve complaint is 30 days for external and 2 days for internal. . In the event any compliant that need to bring up to management, the timeline will extend.<br>Interviewed workers are aware of the complaint procedure and could lodge whenever required.<br>The complaint records are maintain at mill office.<br>There are no complaints lodged except for housing repairing requisition..<br>Complaint box sighted outside the office for worker to insert the complaint or to report the complaint in the office and at the post guard. | Yes |
| 4.4.3 | TPOM contract local communities to operate stores and canteen in the mill, hire local for office and logistics operations. | Yes |
| 4.4.4 | TPOM adopted the group Safety and Health policy dated 01/04/2015 signed by Chief Executive Plantation Group.<br>The policy statement is committed to ensure safe and healthy work environmental. The policy is display at the mill, labor quarters and operational areas notice boards.<br>OSH committee is established with the mill manager is person-in- charges. The committee consists of mill management and workers representatives.<br>TPOM has established Safety and Health Plan 2018 with training plan included<br>Example training conducted:<br>• SOP incinerator conducted on 02/06/2018<br>• SOP sterilizer conducted on 02/01/2018.<br>• First aids training conducted on 11/07/2018<br>First aid training is conducted by Hospital assistant, for mandors and staff.<br>HIRARC is established on 11/ 07/2018. HIRARC covers on all operation activities, potential hazards, risks mitigation and responsible person.<br>ERP is displayed at office and operation areas notice boards.<br>Latest CHRA conducted on 17/02/2016 that include a summary report for chemical health assessment, | Yes |
| 4.4.5 | TPOM adopted the Group policies as below signed by Chief Executive Group Plantations.<br>1. Human rights policy dated 01/10/2016.<br>2. Equal opportunity dated 22/03/2016.<br>3. Sustainable Agriculture Policy dated 21/02/2017<br>4. Sexual Harassment, Violence and Abuse Policy dated 20/11/2017 | Yes |

| **Principle 4: Social Responsibility, health, safety and employment conditions** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| | 5. Freedom of Association and Right to Collective Bargaining dated 22/03/2018<br>6. Child Labour Policy dated 02/01/2017<br>The policies are available at company website and all notice boards.<br>Workers list is documented and well maintained which include name, IC number, date of birth, date joined, employee number and work assign.<br>Sighted contract agreement signed by workers include working hours, overtime rate and deduction to be paid.<br>Working hour sighted at the office notice board and contract agreement.<br>Based on site verification, workers quarters adopt the minimum standards of housing and amenities act (act 446) as guidance | |
| 4.4.6 | TPOM has established program for training 2018.<br>Attendance records of participates sighted and review.<br>Example program:<br>• SSOP Cleaning Mill Threshing dated 02/07/2018<br>• SSOP Cleaning Steam Boiler (Boiler operation) dated 01/09/2018.<br>• SOP Oil trap training conducted on 23/5/2018<br>• Sexual harassment training conducted on 12/4/2018<br>Training conducted based on job specific and safety requirement.<br>• Training CCP point at station oil room conducted on 21/3/2018.<br>• First aid training dated 11/07/2018 | Yes |

| **Principle 5: Environment, natural resources, biodiversity and ecosystem services** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| 4.5.1 | TPOM has established Environmental Impact Assessment and Continuous Improvement Plans date of assessment on 05/09/2018 – 08/09/2018. Next review September 2019.<br>TPOM adopted the group Environmental Charter dated 02/04/2014 signed by Chief Executive – Group Plantations<br>EIA awareness training conducted on 27/08/2018.<br>Interview conducted on mill workers has confirm that they are aware and understand the effect of their work activities towards the environment<br>TPOM has identify and established mitigation action plan for environmental aspects and impacts<br>Example:<br>POME produced from FFB process<br>Impact: | Yes |

<table>
<tr><th colspan="3">Principle 5: Environment, natural resources, biodiversity and ecosystem services</th></tr>
<tr><th>Criterion By Audit</th><th>Summary of Assessment</th><th>Compliance</th></tr>
<tr><td></td><td>POME when discharge to stream can cause increase in BOD and affected aquatic life<br>Mill has stated the positive and negative impacts. The environmental impact example POME application to land possibility overflow water courses and neighboring land during monsoon. The mitigation monitoring satellite ponds trenches are conducted daily for overflow.</td><td></td></tr>
<tr><td>4.5.2</td><td>TPOM has establish five years diesel consumption for period 2013- 2017. Diesel consumption for year 2018 is compared against the average of 3 years bassline is found to be lower.</td><td>Yes</td></tr>
<tr><td>4.5.3</td><td>TPOM has established Environmental Impact Assessment and Continuous Improvement Plans for Tomanggong Palm Oil Mill dated September 2018.<br>The plan identify the waste source and mitigation action related to the waste generated.<br>Example:<br>Palm Oil Mill Effluent<br>Environmental Impact:<br>1. POME flow to stream cause increase in BOD that affect aquatic life.<br>2. Possibility of health hazard for human utilizing the water.<br>Domestic wastes are disposal in landfill located at Tomanggong Estate and approx. 5km distance from waterways and housing compound.<br>Example:
<table>
<tr><th>Source generated</th><th>Mitigation action</th></tr>
<tr><td>Palm Oil Mill Effluent</td><td>• Apply POME for land irrigation according to DOE discharge requirements.<br>• Monitoring of satellite ponds and trenches daily to ensure no leakages and overflow</td></tr>
</table></td><td>Yes</td></tr>
<tr><td>4.5.4</td><td>Tomanggong Palm Oil Mil has establish Fossil Fuel Management Plan which state the sources of emission from :<br>1. Genset<br>2. Vehicles<br>Sighted in the Environmental Impact Assessment, List of waste generated by Mill:<br>1. Used oil.<br>2. Domestic waste.<br>3. Palm Oil Mill Effluent<br>Example:
<table>
<tr><th>Source generated</th><th>Mitigation action</th></tr>
</table></td><td>Yes</td></tr>
</table>

| **Principle 5: Environment, natural resources, biodiversity and ecosystem services** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| | Vehicles<br>• Mill has set up a schedule fuel usage and monitoring.<br>• Regular services of vehicles to ensure smooth running of engine and proper maintenance of vehicles. | |
| 4.5.5 | TPOM has established Water management Plan 2018. The plan include assessment of source of water, water treatment process, water storage, water consumption monitoring and water pollutant / waste and water analysis.<br>The monitoring include water use for domestic and operation (milling process). Sighted the records of water/mt FFB.<br>Treated POME is discharge for land irrigation and monitored daily for any changes. The final discharges is monitored daily according to DOE discharge requirements.<br>Plan for biogas plant is establish to replace fossil fuel genset. | Yes |

| **Principle 6: Best Practices** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| 4.6.1 | TPOM adopted HSPHB SOP for palm oil mill operation revised date 17/10/2018.<br>TPOM management conduct on the job training for workers to ensure everyone understood and perform their job according to SOP requirement.<br>SOP training sighted.<br>• Prosedur pembersihan perangkap minyak conducted on 23/5/2018<br>SOPs are established for each operation such as engine room and boiler<br>Example SOP<br>• Chapter 7: Pengendalian bahan kimia,<br>• Chapter 32: Bekerja di tempat tinggi. | Yes |
| 4.6.2 | TPOM I has establish long-term business and management plan for their operation and financial plan from 2018 to 2022 was sighted and reviewed.<br>The budget includes crop projections, forecast, capex and financial expenses. Business plan includes previous 2 years performance and 2 years projections. | Yes |
| 4.6.3 | TPOM has established contract agreement with contractor.<br>Example<br>Sighted contract agreement signed for supply of chemical for boiler and water treatment. Payment details stated in agreement. | Yes |

| **Principle 6: Best Practices** | | |
|---|---|---|
| Criterion By Audit | Summary of Assessment | Compliance |
| 4.6.4 | TPOM has conducted briefing on MSPO requirement to suppliers and contractors.<br>Example of the agenda is Compliance to legal requirement, Safety & health and Complaints.<br>Stated in the contract agreement accredited certification body has access to the contractor or operation if an audit is necessary. | Yes |

## 4.4. Status of Non-Conformities Previously Identified

| | |
|---|---|
| | The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have been implemented to address the identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report. |
| **x** | The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified. |
| | The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised. |
| | Not applicable. No non-conformity raised in previous audit. |
| *Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major non-conformity.*<br>*Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.* | |

| **Non Conformity Number < 01 >** | | | |
|---|---|---|---|
| Indicator: 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. | | | |
| Location | Tomanggong POM | | |
| **Description of Finding / Objective Evidence:** | | | |
| Procedure “List of Publicly Available Document” sighted with 20 document mentions to be make publicly.<br>However, on their procedure for List of publicly available document have not been clearly followed.<br>Certificate was not updated and have expired. There is also policy which was not updated where MSPO policy was not made available. Public announcement for the audit was also not updated and uploaded into the website to announcement to stakeholder for the audit. | | | |
| Classification | ☒ Major | ☐ Minor | ☐ Observation |
| Date Raise: | | **Deadline for implementation** | 27/12/2017 |
| **Root Cause Analysis (*by company*):** | | | |
| Lack of understanding on MSPO's full requirement for the publicly available document. | | | |
| **Correction *(by company)*:** | | | |

| Non Conformity Number < 01 > | | |
|---|---|---|
| To immediately obtain approval from Top Management to make available the relevant document on the company website. Approval is obtained on 10.11.2017. (Attachment 1.1 M)<br>The Sustainable Agriculture Policy, MSPO Policy and Occupational Safety and Health Policy are uploaded in the website as below.<br>https://www.hapsengplantations.com.my/download/sustainabilitypolicy/sustainable-agriculture-policy | | |
| **Corrective / Preventive Action (*by company*)** | | |
| The independent Sustainability Team will monitor quarterly whether the updated relevant document is timely uploaded to the company website by the group compliance personnel. | | |
| **Review of Correction & Corrective / Preventive Action** | | |
| Website has been reviewed and the action taken is deemed to be sufficient to address the non-compliance. Preventive action is sufficient to address the root cause analysis | | |
| Closed: ☒ Yes ☐ No | Site verification : ☐ Yes ☒ No | |
| **Name of Auditor:**<br>Terence Ang | **Date of Closure:**<br>27/12/2017 | |
| **Review of Implementation for Major NC** | | |
| Hap Seng Group website is access with the relevant publicly available implemented. Therefore the NC is closed effectively. | | |
| Closed: ☒ Yes ☐ No | Site verification : ☒ Yes ☐ No | |
| **Name of Lead Auditor / Auditor:**<br>Terence Ang | **Date of Review:**<br>05/12/2018 | |

| Non Conformity Number < 02 > | | | |
|---|---|---|---|
| Indicator: 4.4.4.2: The occupational safety and health plan shall cover the following:<br>b) The risks of all operations shall be assessed and documented | | | |
| Location | Tomanggong POM | | |
| **Description of Finding / Objective Evidence: 4.4.4.2 (B)** | | | |
| The risk assessment HIRARC have been conducted. Hap Seng have included element of likelihood, severity and risk in to the assessment. The action plan following to this have been set up. HIRARC have also included the action plan and all required action to be conducted. However, the plan did not clearly segregate according to the risk specify. Therefore, to avoid confusion from reader the management can consider separating the action plan according to the risk. | | | |
| Classification | ☐ Major | ☒ Minor | ☐ Observation |
| **Date Raise:** 27/10/2017 | | **Deadline for implementation** | 27/10/2018 |
| **Root Cause Analysis (*by company*):** | | | |
| Lack of understanding on the requirement that action plan for the HIRARC is needed to be segregated based on the individual hazard risk. | | | |
| **Correction *(by company)*:** | | | |
| To immediately segregate the Action Plan of the HIRARC based on the individual Hazard Risk. | | | |

| Non Conformity Number < 02 > | |
|---|---|
| **Corrective / Preventive Action (*by company*)** | |
| HIRARC will be yearly monitored by Sustainability Team through internal audit to ensure the Action plan of the HIRARC segregated based on individual Hazard Risk. | |
| **Review of Correction & Corrective / Preventive Action** | |
| Action plan accepted. Implementation will be reviewed in the next surveillance. | |
| Closed: ☐ Yes ☒ No | Site verification : ☐ Yes ☒ No |
| **Name of Lead Auditor / Auditor:**<br>Mohamad Norhisham Bin Mohd Salleh | **Date of Review:**<br>27/12/2017 |
| **Review of Implementation** | |
| HIRARC dated 11/07/2018 is review with changes made are segregate according to the individual hazards risk. The implementation of individual risk at the mill operation is verified | |
| Closed: ☐ Yes ☐ No | Site verification : Yes ☐ No |
| **Name of Auditor:**<br>Mohamad Norhisham Bin Mohd Salleh | **Date of Review:**<br>05/10/2018 |

| Observation < 01 > | |
|---|---|
| Indicator: 4.1.4.1: The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. | |
| Location | Tomanggong POM |
| **Description of Finding / Objective Evidence:** | |
| The CIP can be more improve by properly segregating and identify clearer mitigation plan and improvement plan. | |
| **Raise by:**<br>Terence Ang | **Date Raise:**<br>25/10/2017 |
| **Review of Implementation** | |
| Sighted SIA establish dated 01/03/2018.The CIP establish is segregated and include mitigation and improvement plans. | |
| Closed: ☒ Yes ☐ No | Site verification : ☒ Yes ☐ No |
| **Name of Auditor:**<br>Terence Ang | **Date of Closure:**<br>05/10/2018 |

| Observation < 02 > | |
|---|---|
| Indicator: 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. | |
| Location | Tomanggong POM |
| **Description of Finding / Objective Evidence: 4.4.2.2** | |

| Observation < 02 > | |
|---|---|
| The management could consider separating request comment from complaint in the complaint form. Currently both are using the same form where can be misleading as some of this comment were not complaint or grievance | |
| **Review of Correction & Corrective / Preventive Action** | |
| Action plan accepted. Implementation will be reviewed in the next surveillance. | |
| Closed: ☐ Yes ☐ No | Site verification : ☐ Yes ☒ No |
| **Name of Lead Auditor / Auditor:**<br>Mohamad Norhisham Bin Mohd salleh | **Date of Closure:** |

| Observation < 03 > | |
|---|---|
| Indicator: 4.5.3.2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for identifying and monitoring sources of waste and pollution | |
| Location | Tomanggong POM |
| **Description of Finding / Objective Evidence:** | |
| Oil trap could be installed at the drain for CPO tank no.5 to prevent accidental discharge of oil. | |
| **Raise by:**<br>SK Leong | **Date Raise:**<br>25/10/2017 |
| **Review of Implementation** | |
| Oil trap is install at the drain for CPO tank No. 5 to collect any possible spillage. | |
| Closed: ☐ Yes ☒ No | Site verification : ☐ Yes ☒ No |
| **Name of Auditor:**<br>Mohamad Norhisham Bin Mohd Salleh | **Date of Review:**<br>05/10/2018 |

| Observation < 04 > | |
|---|---|
| Indicator: 4.5.5.1 The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). | |
| Location | Water treatment plant |
| **Description of Finding / Objective Evidence:** | |
| The water treatment plant has not been using chlorine for the past one month but no water quality analysis has been conducted yet to determine the water quality, especially on E-coli and coliform count.<br>The last water analysis was conducted in August and the next one is in Feb (every 6 months)<br>Water quality analysis could be conducted on a more regular basis for critical parameters like E-coli and coliform count. | |
| **Raise by:**<br>SK Leong | **Date Raise:**<br>25/10/2017 |
| **Review of Implementation** | |
| Water quality analysis is conducted regularly that include parameters of E-coli and Coliform count, | |
| Closed: ☐ Yes ☒ No | Site verification : ☐ Yes ☒ No |

| Observation < 04 > | |
|---|---|
| **Name of Auditor:** Mohamad Norhisham Bin Mohd salleh | **Date of Review:** 05/10/2018 |

### 4.5. Detail of Audit Findings Identified During This Audit

This section gives an overview of the non-conformities raised during this audit.

| AUDIT OUTCOME | |
|---|---|
| **MAJOR Non-Conformities** | **0** |
| **MINOR Non-Conformities** | 0 |
| **OBSERVATION** | 1 |

| Observation 01 | |
|---|---|
| Indicator: 4.2.2.3<br>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.<br>(MAJOR) | |
| Location | TPOM |
| **Description of Finding / Objective Evidence:** | |
| TPOM has establish and update list of stakeholders with WWF and Hhumana listed as NGOs. However, the management could consider to include other local or regional NGOs in the list. | |
| **Raised by**: Zul Hairi Bin Abu Hassan | **Date Raised:** 05/10/2018 |
| **Review of Corrective Action:** | |
| | |
| Closed: ☐ Yes ☐ No | Site verification : ☐ Yes ☐ No |
| **Name of Lead Auditor:** | **Date of Closure:** |

## 5. CONCLUSION

Hap Seng Plantations (River Estates) Sdn Bhd., has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct annual surveillance audit 1 for Tomanggong Palm Oil Mill according to MSPO 2530-4:2013 Part 4 General principles for palm oil mills.

There is no Major and Minor NCs raise in this surveillance 1 audit. 1 Observation is raise that will be review and verify in the next audit.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided to TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has established, implement and continue to improve in managing the mill are in line with the Principles & Criteria of the applied standard MS 2530-4:2013. Part 4.

As a result of this certification audit, the audit team confirms that:

Certified CPO January to September 2018: 18,323.71 mt

Certified PK January to September 2018: 3,599.31 mt

## 6. RECOMMENDATION

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

The structure of the audit is in accordance with the audit plan included in to this summary report.

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrate the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policy and objectives.

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

| | |
|---|---|
| | Recommended for Certification |
| *I* | Recommended for Continuity of Certification |
| | Recommended for Suspension of Certification |

Puchong, 28/01/2019

Zul Hairi Bin Abu Hassan
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 28/01/2019

Cheong Chun Yuen (Robert)
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

## 7. REFERENCES

Table 7-1: Name of Stakeholders

| No. | Name | Organisation / Function |
|---|---|---|
| 1. | So Chon Sheng | Hap Seng Fertilizers S/B |
| 2. | Ngui Yun Sang | Hap Seng Fertilizers S/B |
| 3. | Hamzah Lahimta | Ketua Kampung Litang |
| 4. | Petrus Jehni | Hap Seng Trading S/B |
| 5. | Azman Akmad | Kian Ming Hardware S/B |
| 6. | Rizal Osman | Jabatan Tenaga Kerja |
| 7. | Amat Hj Alimpunus | Jabatan Pertanian Lahad Datu |
| 8. | Khairuddin | Jabatan Immigration |
| 9. | Mohd Ejanri Bahari | Manager LPC Plantations |
| 10. | Koo Pui Tong | Assistant Manager LPC Plantations |

## Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent to the certification body or bodies, the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities of weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:
The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

## Annex / Enclosures

| | |
|---|---|
| Annex / corresponding audit documentation | ☒ P&C Audit Report / Checklist(s)<br>☐ Audit Plan<br>☐ Additional annexes, number |