

MSPO CERTIFICATION SUMMARY REPORT

GROMAX ENTERPRISE SDN. BHD.

SURVEILLANCE 01

ONSITE AUDIT DATE: 28/09/2020 TO 29/09/2020

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MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Table of Contents

1.	INTRODUCTION	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and qualification of team member	4
2.	METHODOLOGY.....	8
3.	ORGANISATION INFORMATION	10
3.1.	Production volume	10
3.2.	Planting Program for Each Estate	10
3.3.	Replanting program for each estate	10
3.4.	Maps of Company Location and Plantation	11
4.	CERTIFICATION ASSESSMENT	13
4.1.	ASA 01	13
4.2.	Stakeholders' Consultation	13
4.3.	Summary of Assessment	15
4.4.	Status of Non-Conformities Previously Identified	38
4.5.	Detail of Audit Findings in last audit	38
4.6.	Detail of Onsite Audit Findings Identified During This Audit	38
5.	CONCLUSION	40
6.	RECOMMENDATION	41
7.	LIST OF STAKEHOLDERS	42
	Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives	43
	Annex / Enclosures	43

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GAP	Good Agricultural Practice
GPS	Global Positioning System
GESB	Gromax Enterprise Sdn. Bhd.
ISCC	International Sustainability & Carbon Certification
ISO	International Standard Organisation
MSPO	Malaysia Sustainable Palm Oil
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
RSPO	Roundtable Sustainable Palm Oil
RTE	Rare, Threatened and Endangered Species
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
WHO	World Health Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
SDS	Safety Data Sheet

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



1. INTRODUCTION

Gromax Enterprise Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct a surveillance audit for its oil palm estate according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this surveillance audit is to assess the estate by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation developed by the estate. The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria based on MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

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.

The following references are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Malaysian Sustainable Palm Oil Part 3: General Principles for Oil Palm Plantations and Organised Smallholders audit guidance;
2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and qualification of team member

The audit team appointed consists of one team leader and 1 team member. The audit team member contributed to the review of documents, the assessment of the project activity and to the preparation of this report.

Qualification of the Lead Auditor: Chan Shi Lie

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following <ol style="list-style-type: none">i) Agriculture;ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);iii) Engineering, Process Technology;iv) Energy Management, Quality Management;v) Social Sciences and/or Anthropology;	Graduate in Bachelor of Media Technology (Major in Broadcasting)

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Requirement	Qualifications
vi) Business Management; or vii) Other relevant related fields	
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)	6 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS 2530:2013 series of standards training
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.	Qualified as lead auditor based on audit log.
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, Mandarin and English.
Field working experience in the palm oil sector, or demonstrable equivalent	6 years working experience in oil palm plantations.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	6 years working experience in oil palm plantations.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 18001 or Occupational, Health & Safety Assurance System	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Qualification of Team Member

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Joseph Sim Siaw Seng	Graduated in Diploma in Occupational Safety & Health	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)	Joseph Sim Siaw Seng	5 years working experience in oil palm plantation.	Yes
Successfully completed MS 2530 series of standards training	Joseph Sim Siaw Seng	Successfully completed MS2530 series of standards training.	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 and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Joseph Sim Siaw Seng	Qualified as auditor with 20 man days of onsite audit.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Joseph Sim Siaw Seng	Bahasa Malaysia, Mandarin and English.	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Requirement	Assessor	Qualification	Compliance
Field working experience in the palm oil sector, or demonstrable equivalent	Joseph Sim Siaw Seng	5 years working experience in oil palm plantation.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Joseph Sim Siaw Seng	5 years working experience in oil palm plantation.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Joseph Sim Siaw Seng	Successfully completed Basic SA 8000 training.	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



2. METHODOLOGY

The audit approach onsite audit consists of the following steps:

- Appointment of team members;
- 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
- Final approval, certification decision and issuance of certificate.

ASA 01:

ASA 01 conducted onsite on 28/09/2020 to 29/09/2020 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of estate facilities and field activities;
- Interview operation personnel and field workers for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Assessment reporting;

On-site Assessment

The audit of the estate is conducted according to the MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



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 are taken into account in the assessment.

For the ASA 01, Gromax Enterprise Sdn. Bhd. has 1 estate. Therefore, no selection required.

Table 2-1: List of Estate Selected

Name of Estate	Coordinates
Gromax Enterprise Sdn Bhd	5°51'07.8"N; 117°42'02.0"E

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



3. ORGANISATION INFORMATION

Gromax Enterprise Sdn. Bhd. is an oil palm plantation company located at CL 075412421 Mile 43, Sungai Tahid Beluran, Sandakan, Sabah, Malaysia.

The details of the estate as below:

Name of Estate	Location	Coordinates
Gromax Enterprise Sdn Bhd	CL 075412421 Mile 43, Sungai Tahid Beluran, Sandakan, Sabah	5°51'07.8"N; 117°42'02.0"E

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (January 2020 to December 2020)
	Total*	Production**	
Gromax Enterprise Sdn Bhd	82.88	81.00	1,455
Total	82.88	81.00	1,455

*includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

**Immature + Mature Area

3.2. Planting Program for Each Estate

Year / estate	Gromax Enterprise Sdn Bhd
1991	40
2015	41
Total Mature	81
-	-
Total Immature	-
Total	81.00

3.3. Replanting program for each estate

Estate	Year / Planted area (ha)		Total area to be replanted (ha)
	2020	2021	
Gromax Enterprise Sdn Bhd	20	20	40
TOTAL	20	20	40

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

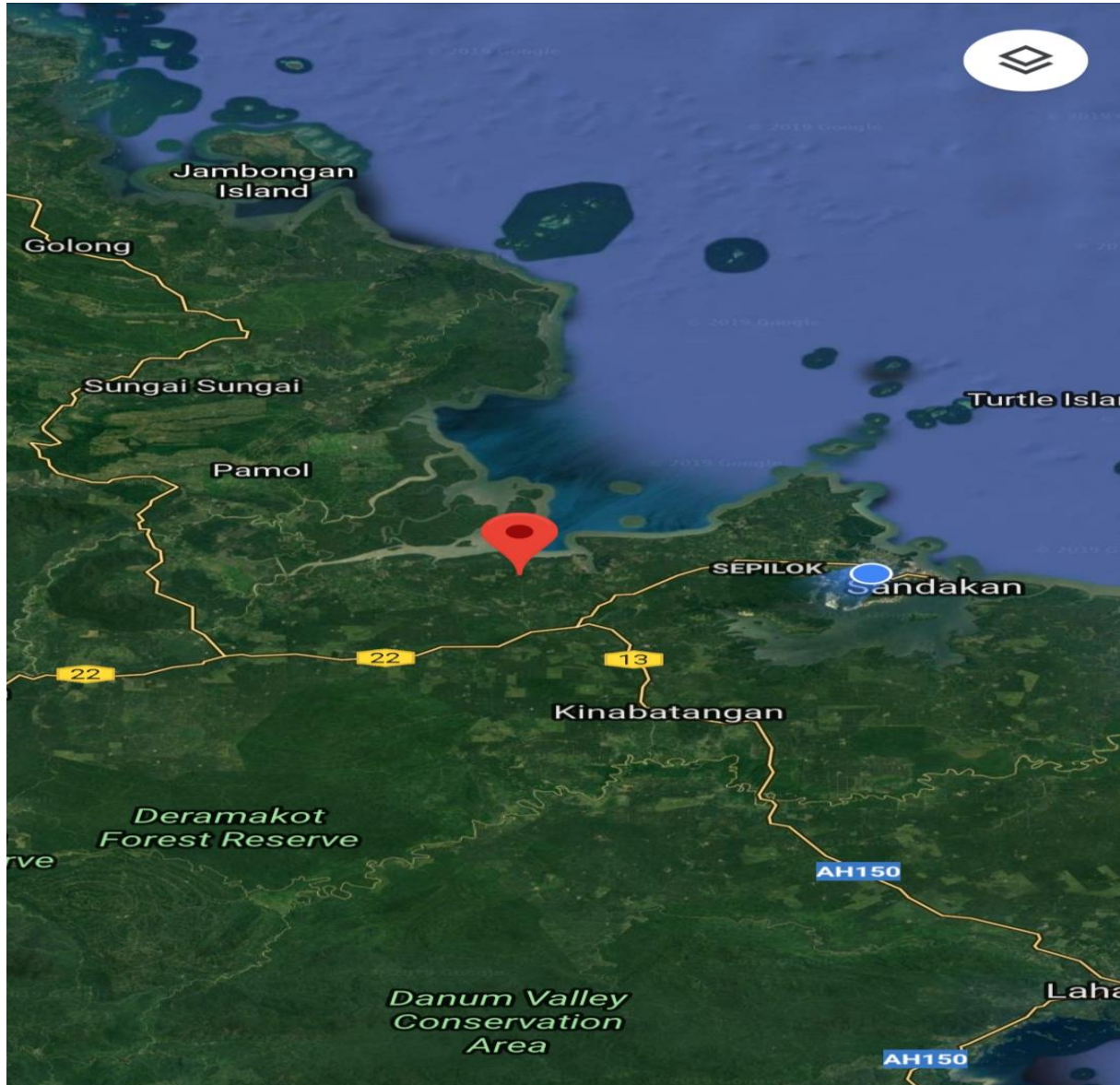
Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



3.4. Maps of Company Location and Plantation



Map 01

MSPO Certification Summary Report

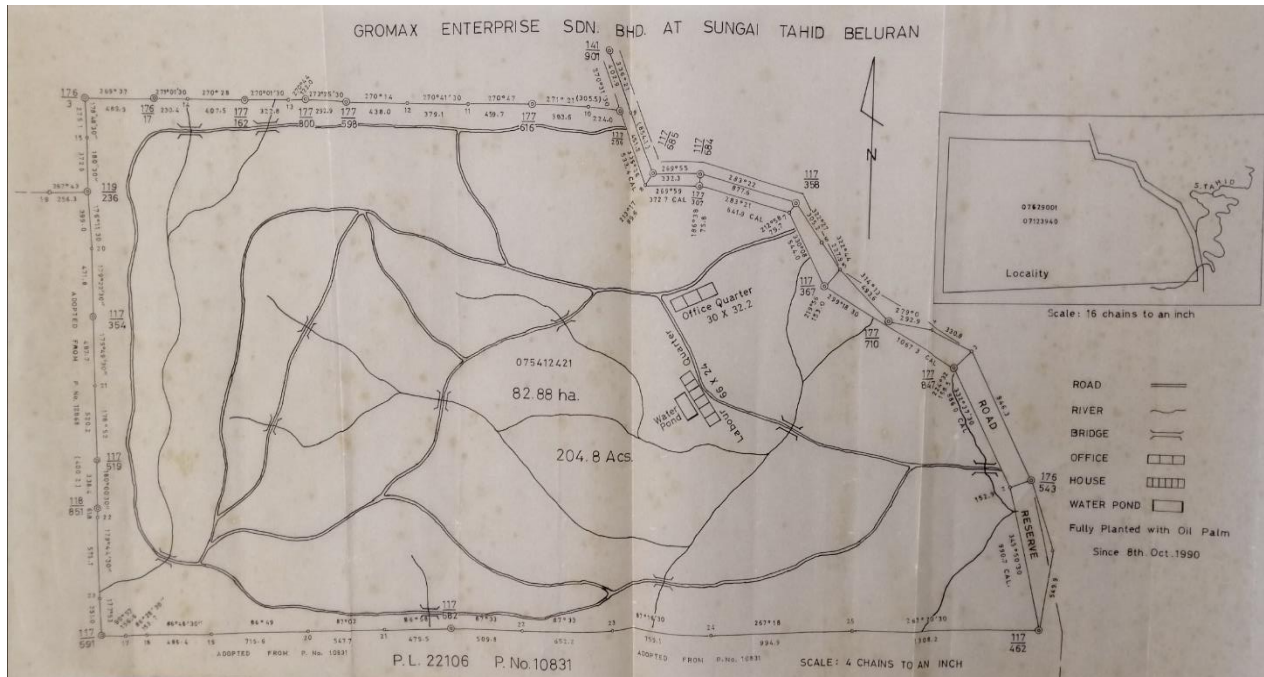
Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Map 02

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



4. CERTIFICATION ASSESSMENT

4.1. ASA 01

The objective of the audit is to assess the activities of the estates are in compliance with MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

4.1.1. Surveillance Audit:

The Onsite Surveillance audit is conducted on 28/09/2020 to 28/09/2020 covering Gromax Enterprise Sdn. Bhd.

During the surveillance audit, there are no Major or Minor NC raised. 3 Opportunities for Improvement (OFI) are raised.

During this audit, there is no minor non-compliance raised in the last audit to be reviewed.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The audit findings if any, raised in this audit refer to Section 4.6 of this report.

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 28/08/2020 as to accommodate stakeholder's consultation meeting for Gromax Enterprise Sdn. Bhd. to provide comments. As at audit date on 28/09/2020 there are no comments received.

Invitation letters are sent on 28/08/2020 to invite relevant stakeholders to attend a local stakeholders' consultation on 28/09/2020 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 MSPO certification.
2. Development of oil palm plantations
3. Community service and support provided
4. Wildlife management and wildlife corridor
5. Type of wildlife sighted at the plantations and wildlife corridor.
6. Local communities' development.

The following relevant Principles & Criteria of the applied standard are 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 the company 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

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



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

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

The local communities could confirm the company has provide 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 contractors who provides maintenance and service could confirm they are briefing on MSPO requirements.

There 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 as regards to the MSPO audit?	Stakeholders invited for attended the MSPO audit via invitation letter received.	No action required
2	Social issues	Stakeholders interviewed are not local communities. Therefore, no input on this topic.	No action required.
3	Type of land title – Country Leased, Provisional Leased, Native title, Customary Land	Stakeholders interviewed are not local communities. Therefore, no input on this topic.	No action required
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders interviewed are not local communities. Therefore, no input on this topic.	No action required
5	Does MSPO largely benefits the local community?	Stakeholders interviewed are not local communities. Therefore, no input on this topic.	No action required
6	Environmental understanding	Stakeholders interviewed are not local communities. Therefore, no input on this topic.	No action required
7	Awareness towards species, habitats, and	Stakeholders interviewed are not local communities.	No action required

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
	high conservation values	Therefore, no input on this topic.	
8	Are there any plantation management practices that affect you?	Stakeholders interviewed are not local communities. Therefore, no input on this topic.	No action required
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders informed the management had taken effort to meet the MSPO requirements.	No action required
10	Do you have any suggestions for management?	No suggestion	No action required

4.3. Summary of Assessment

Principle and Criteria Assessment Summary
<p>The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below</p>

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Gromax Enterprise Sdn Bhd (GESB) established Sustainability Policy signed by Director dated 28/03/2019.</p> <p>The policy is available in both Bahasa Malaysia and English language and displayed at the estate notice board.</p> <p>Policy briefing conducted to all workers on 01/02/2020.</p> <p>Interview with the workers inform that they are aware and understand the policy.</p>	Yes
4.1.1.2	<p>GESB has established Sustainability Policy dated 28/03/2019.</p> <p>The policy states Gromax Enterprise Sdn. Bhd. strive for continual improvement in our operations and adopt good agriculture practice where practical in order to ensure our company is economically viable, socially acceptable and environmentally sound for a sustainable oil palm production</p>	Yes
4.1.2.1	<p>GESB established SOP for Internal Audit dated 26/06/2019 and updated on 10/07/2020.</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	The SOP describes the frequency of internal audit to be conduct is once a year. Latest internal audit conducted on 06/09/2020 with 8 findings.	
4.1.2.2	GESB established SOP for Internal Audit dated 26/06/2019 and updated on 10/07/2020. Latest internal audit conducted on 06/09/2020 with 8 findings. Example: Finding: Medical surveillance not yet conducted Action Plan: To engage with 3 rd party to conduct medical surveillance Correction: Management engage 3 rd party to conduct the medical surveillance on 17/09/2020 and now pending report from assessor. Timeline: Early October 2020. Document review sighted invoice for medical surveillance conducted on 17/09/2020 and pending reports to be available in October 2020.	Yes
4.1.2.3	GESB discuss the results of internal audit in the management review meeting dated 11/09/2020.	Yes
4.1.3.1	GESB conduct management review meeting on 11/09/2020 meeting agenda includes: <ul style="list-style-type: none">• Update on status of MSPO certification• Result of internal audit findings• Strength and weakness analysis• Improvement & action plans• Other business Frequency of management review is conducted once a year after internal audit.	Yes
4.1.4.1	GESB established Continuous Improvement Plan (CIP) dated 02/07/2020. The topics covered in the CIP as below: <ul style="list-style-type: none">• Legal compliance• Environmental• Emissions & pollution• Social responsibility• Health & safety• Miscellaneous The CIP describe the improvement action, expected outcome, timeframe, review and monitor, budget and status of review.	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>Example:</p> <p>Environment</p> <p>Improvement action: Protection and preservation of buffer zones</p> <p>Expected outcome: All watercourses through the plantation areas have buffer zone and to be maintain.</p> <p>Timeframe: On going</p> <p>Review and monitor: Evidence of established buffer zones</p> <p>Status review: Buffer zone have been set up at both sides of Sg. Tahid that passed through small section of estate at South-eastern boundary.</p> <p>Onsite visit at buffer zone area sighted palms are marked with red and white color and well maintained.</p>	
4.1.4.2	<p>GESB established flowchart for new technology information and technique dated 28/05/2019.</p> <p>The flowchart describe the initial part of communication with new technology supplier or product until the implementation and monitoring for further improvement.</p> <p>There is no new technology or new techniques implemented currently.</p>	Yes
4.1.4.3	<p>GESB established flowchart for new technology information and technique dated 28/05/2019.</p> <p>The flow chart describes as follows:</p> <ul style="list-style-type: none">• call supplier to introduce product• proposal of product• planning-location of pilot study• demo schedule• evaluation of pilot study• decision to proceed yes or no• established work procedure• implementation• monitoring for further improvement. <p>The flow chart states to train the operators or employees involved in implementations, techniques and equipment.</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>GESB established list of stakeholders dated 28/05/2019 and latest updated on 13/08/2020.</p> <p>The list of stakeholders include:</p> <ul style="list-style-type: none">• Government agencies• Non-governmental organization• Oil mills & collection centers• Suppliers• Transporter• Neighboring estates• Local communities <p>The stakeholders meeting has been conducted via tele-conference-email and invitation letter dated 24/08/2020 due to Covid 19 outbreak.</p> <p>Stakeholders minute of meeting dated 09/09/2020 is reviewed include discussion on socials, environments, company policies, SOP for Covid 19 prevention, SOP complain& grievances and SOP consultation and communication.</p>	Yes
4.2.1.2	<p>GESB established list of publicly available documents dated 18/09/2019 and updated on 18/09/2020.</p> <p>The list is available in both Bahasa Malaysia and English and displayed at the estate notice board.</p> <p>Example of publicly available document:</p> <ol style="list-style-type: none">i. Company policiesii. Complaint and Grievance procedureiii. MPOB license <p>Example of confidential document:</p> <ol style="list-style-type: none">i. Planting Statementsii. Financial Reportiii. Pay slips	Yes
4.2.2.1	<p>GESB established flow chart for consultation and communication date 28/05/2019.</p> <p>The flow chart describes:</p> <ul style="list-style-type: none">• Communication to employee and other stakeholders.• Enquiry/issue from employee and other stakeholders. <p>The stakeholders meeting has been conducted via tele-conference-email dated 24/08/2020 due to Covid 19 outbreak.</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	Stakeholders minute of meeting dated 09/09/2020 is reviewed include SOP complaint & grievances and SOP consultation & communication.	
4.2.2.2	GESB appoints estate manager as person in-charge for handling communication and consultation with stakeholders 28/03/2019.	Yes
4.2.2.3	<p>GESB established list of stakeholders dated 28/05/2019 and latest updated on 13/08/2020.</p> <p>Consultation & Communication flowchart states the timeframe to attend any grievance or complaint received within 30 working days.</p> <p>The stakeholders meeting has been conducted via tele-conference-email dated 24/08/2020 due to Covid 19 outbreak.</p> <p>Stakeholders minute of meeting dated 09/09/2020 is reviewed include SOP consultation and communication.</p>	Yes
4.2.3.1	<p>Gromax has established the SOP traceability, dated 28/05/2019.</p> <p>The SOP describes:</p> <ul style="list-style-type: none"> i. Identification and register applicable traceability documents , records on FFBs production and sales of FFBs ii. To ensure revised documents are updated for traceability implementation. iii. Traceability records with 5 years retention period. iv. Frequency of traceability record by annual management review meeting. v. List of records on crop production that should be available for inspection. <p>GESB use FFB Delivery Chits as a documents form estate for transporting FFBs to the mills.</p> <p>Sighted in the delivery note are DN number, mill name, date and time delivery, vehicles number, driver name and identification and acknowledgement.</p>	Yes
4.2.3.2	<p>GESB conducts regular inspections of traceability system during internal audit and monthly check by the estate manager.</p> <p>The internal audit conducted on 06/09/2020 with no findings raised on traceability.</p>	Yes
4.2.3.3	GESB established the MSPO committee include estate manager as person in-charge for traceability dated 28/03/2019.	Yes
4.2.3.4	<p>Records for sales and delivery of FFBs is documented and maintained. Sighted monthly records of sales and delivery of FFBs documented from January to August 2020.</p> <p>GESB maintained the FFB delivery chit, weighbridge ticket from the mill.</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 2: Transparency

Indicator	Summary of Assessment	Compliance
	<p>FFB delivery chit includes DN number, mill name, date and time delivery, vehicles number, driver name and identification and acknowledgement.</p> <p>Weighbridge ticket includes ticket number, date, crop supplier, lorry number, transporter, product, time, weight, DN number and acknowledgement.</p> <p>Traceability has describe records keeping for 5 years retention period.</p> <p>Review on the records such as delivery chit to mill weighbridge are available. Unique number is estate DN captured in mill weighbridge ticket.</p>	

Principle 3: Compliance to legal requirements

Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>GESB established legal register list dated 23/09/2020.</p> <p>Land titles, permits and licenses are reviewed.</p> <p>Example:</p> <ul style="list-style-type: none">i. Trading license remain valid 19/12/2019 – 31/12//2020.ii. MPOB License remain valid 01/12/2019 – 30/11/2020.	Yes
4.3.1.2	<p>GESB established legal register dated 23/09/2020. The register includes the related act and regulation applicable to estate.</p> <p>Example:</p> <ul style="list-style-type: none">i. Land ordinance (Sabah cap 68)ii. Malaysia Palm Oil Board Act 1998	Yes
4.3.1.3	<p>GESB established list of legal requirements register with latest update on 23/09/2020.</p> <p>Example:</p> <ul style="list-style-type: none">i. Environmental Quality (Scheduled Waste) Regulations 1989 (Amendment 2015)ii. Prevention and Control of Infectious Diseases Regulation 2020	Yes
4.3.1.4	<p>GESB appoint Admin Director as person for updating legal documents, regulations and licenses dated 02/01/2019.</p>	Yes
4.3.2.1	<p>GESB land titles are Country Lease issued by Sabah States Land and Survey Office.</p> <p>There is no diminish the land use rights of other users.</p>	Yes
4.3.2.2	<p>GESB land titles are Country Lease issued by Sabah States Land & Survey Office with 99 years leased period.</p> <p>Reviewed on the actual use of the land titles is for cultivation of oil palm.</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.2.3	GESB land titles are review include map consist of title number, size in acre and boundary stone numbers. During site verification, observed boundary markers is marked with wooden stick of red and white colour.	Yes
4.3.2.4	GESB land titles are issued by Sabah States Land and Survey Office. Therefore, no land disputes.	Yes
4.3.3.1	GESB land titles are Country Lease issued by Sabah States Land and Survey Office. The land titles is leased for 99 years leased period. There is no customary sub-lease land.	Yes
4.3.3.2	GESB land titles are Country Lease issued by Sabah States Land and Survey Office. The land titles include map, scale and acreage of the land and boundary stones numbers. There is no native or customary rights land.	Yes
4.3.3.3	GESB land titles are Country Lease issued by Sabah States Land and Survey Office. There is no native or customary rights land.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	GESB established Social Impact Assessment dated 18/09/2020. The SIA include information from survey and feedback from internal and external stakeholders. A summary of positive and negative impacts, mitigation plan promotes with timeline are included. Example of identified negative impacts are address: Negative Impacts: Workers afraid of Covid-19 virus infection. Mitigation Measures: Management will prepare sufficient PPE such as mask and sanitizer for workers. Disinfection fogging will be conducted at public area. PIC: Operation Director Time bound: 12 months Status: Ongoing	Yes
4.4.2.1	GESB established a flowchart for complaint and grievances dated 28/05/2019. The flowchart described the process of complaints and grievances starting from rising, receiving via C&G form, to resolution of complaints &	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>grievances. Communication Representative (Operation Director) will be responsible in handling all matters related to complaints and grievances.</p> <p>Onsite visit observed complaint and grievances flowchart displayed at estate notice board.</p> <p>Interviewed with workers informed they are aware and understand of the complaint and grievances procedure.</p>	
4.4.2.2	<p>GESB established a flowchart for complaint and grievances dated 28/05/2019.</p> <p>The procedure state complaint and grievance shall be address within 30 days.</p>	Yes
4.4.2.3	<p>Onsite visit observed complaint form and box displayed at estate notice board.</p> <p>Interviewed with workers informed they understand and aware on complaint and grievances procedure.</p> <p>No complaint been raised to GESB until the audit date.</p>	Yes
4.4.2.4	<p>Onsite visit observed complaint form and box displayed at estate notice board.</p> <p>Interviewed with workers informed they understand and aware on complaint and grievances procedure.</p> <p>Training for complaint and grievances conducted for external stakeholders dated 09/09/2020 and estate workers dated 01/02/2020.</p>	Yes
4.4.2.5	<p>GESB complaint record is review and maintained since September 2019.</p> <p>No complaint lodged to GESB until audit date.</p>	Yes
4.4.3.1	<p>GESB has provide work opportunities on hiring local communities for estate operation, driver and office admin work and field supervisor</p>	Yes
4.4.4.1	<p>GESB established Health and Safety Policy dated 28/03/2019 signed Operation Director and Admin Director.</p> <p>The policy states GESB committed to comply with the health and safety requirements as stipulated by Occupational Safety & Health Act 1994, Act 514 (OSH Act).</p> <p>Onsite visit observed Health and Safety policy is displayed at estate notice board.</p> <p>Safety & Health policy been briefed to workers on 01/02/2020 and external stakeholders on 09/09/2020.</p>	Yes
4.4.4.2	<p>a</p> <p>Safety & Health policy been briefed to estate workers dated 01/02/2020 and external stakeholders dated 09/09/2020.</p> <p>The policy is displayed at the notice board in dual languages, Bahasa Malaysia and English.</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Interviewed with estate workers informed they understand and aware of Health & Safety Policy.	
b	<p>GESB established HIRARC dated 13/07/2020 prepared by MSPO Coordinator.</p> <p>HIRARC consists of activity, hazard, potential risk, existing controls, initial risk rating, additional controls, person in charge, residual risk rating and date of implementation.</p> <p>Example:</p> <p>Activity: Working under Covid-19 pandemic</p> <p>Hazard: Covid-19 Virus & others infectious diseases</p> <p>Potential risk: Flu, fever, cough, respiratory problems and in severe case lead to death.</p> <p>Existing Controls: Safety Briefing, Follow SOP Prevention of infectious Diseases.</p> <p>Initial Risk Rating: C4, L3, Risk 12 (High)</p> <p>Additional Risk Control: Continuous safety awareness training</p> <p>PIC: Supervisor and mandore</p> <p>Residual Risk Rating: C3, L2, Risk 6 (Medium)</p> <p>Date of Implementation: Daily</p>	Yes
c i	<p>Safe Work Practise (SWP) training was conducted on each of the estate operations.</p> <p>Example:</p> <ul style="list-style-type: none"> • Training on SOP Harvesting dated 06/08/2020 to harvester. • Training on SOP Chemical Mixing dated 12/08/2020 to sprayers. • Training on PPE Usage dated 23/03/2020 to all workers. <p>Interviewed workers informed they are aware of the safe work practices.</p>	Yes
c ii	<p>SDS is available at chemical store, fertilizer store and lubricant store.</p> <p>Example:</p> <ul style="list-style-type: none"> • Chemical Sentry (glyphosate) effective date 15/04/2015. • Fertilizer Royal K-Maxx + TE (Ammonium Sulfate) effective 18/11/2015. 	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Onsite visit to chemical store observed arrangement was in good condition. The store was lock and only authorized personnel allowed to enter.</p> <p>Proper fertilizer and chemical placement and labelling sighted. Signage of awareness, warning and hazard are in place.</p>	
d	<p>GESB established records of PPEs issuance and review on the records are maintained and updated.</p> <p>Type of PPE for activity in accordance to HIRARC and CHRA assessment is identified.</p> <p>Example: Chemical Spraying</p> <p>PPE: Nitrile Glove, Goggles, Apron, N95 respirator, rubber boots.</p> <p>Field observation and interviewed with workers informed they are aware and understand on requirement of wearing PPEs.</p>	Yes
e	<p>GESB established Chemicals Storage and Handling SOP dated 09/05/2019.</p> <p>Chemical Storage and Handling SOP briefed to workers on 12/08/2020. Interviewed with workers informed they are aware and understand the procedure.</p> <p>All chemical products are store in original label and packaging.</p>	Yes
f	<p>The GESB organization chart identified the appointed person in-charge of safety and health is the Operation Director.</p>	Yes
g	<p>GESB has a total number of 7 workers. Therefore, below the minimum requirements to have an OSH committee in accordance to DOSH requirement. However, Safety and Health meeting is conducted quarterly according to Operational Safety Management Plan (OSMP) dated 28/05/2019.</p> <p>Latest Safety and Health meeting conducted on 09/09/2020 with participant of both employer and employee representatives and includes agenda of safety and health and COVID-19 issues.</p>	Yes
h	<p>GESB established SOP for the emergency response for fire outbreak and accident investigation dated 28/05/2019.</p> <p>Sighted the emergency evacuation layout plan and emergency contact number displayed at notice board.</p> <p>Emergency Response Procedure training conducted on 23/03/2020 to estate workers.</p>	Yes
i	<p>Operation Director is a competent first aider and attended first aid training dated 23/06/2020.</p> <p>First aid kits are available at work site and store and maintained by first aider.</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment		Compliance
	j	Records of accidents and injuries is established and documented, no accident reported from Jan 2020 until audit date. Annual Accident Report for year 2019 submitted to DOSH dated 14/01/2020.	Yes
4.4.5.1	GESB established Social Policy dated 22/06/2019 signed by Operation Director and Administration Director. The policy is displayed at estate notice board. The policy states GESB is committed to provide a work environment that is harmonious, safe and free from harassment. Social policy was briefed to workers on 01/02/2020 and external stakeholders on 09/09/2020. Interviewed with estate workers informed they are aware of the social policy.		Yes
4.4.5.2	GESB established Social Policy dated 22/06/2019 signed by Operation Director and Administration Director. The policy is displayed at estate notice board. The policy states company does not engage in or support discrimination practices and provide equal opportunity regardless race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. Social policy was briefed to workers on 01/02/2020 and external stakeholders on 09/09/2020. Interviewed with workers informed they are aware of the social policy.		Yes
4.4.5.3	GESB has established contract agreement for workers in accordance to Sabah Labour Ordinance. Workers are paid either daily rate or piece rates. Worker contract agreement states the pay rate of minimum RM1,100.00 per month or RM 42.50 per day in accordance to the Minimum Wages Order 2018. The working contracts are signed by workers and management. Sighted the establish piece rates of harvesting, manuring, chemical spraying, pruning, FFB loading and loose fruit collection duly agree by workers and management. Example: Harvesting rates - RM52 per ton. Reviewed workers' pay slips and against check roll for the month of August 2020, the wages paid as per agreeable piece rates of harvesting.		Yes
4.4.5.4	GESB monitor contractor worker wages by payment voucher based on verbal agreement rates between the contractor and the worker. Reviewed on the payment voucher of the contractor's worker for the month of August 2020, the wages paid is according to agreed rates.		Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.5	GESB established summary list of workers includes name, gender, date of birth, date of entry, job description, wages and period of employment.	Yes
4.4.5.6	GESB established employment contract for every worker recruited. The management provide fair contract that has been signed by both parties. The worker is briefed on the working contract terms and conditions, wage, position and a copy of working contract is provided to worker. During site interview with workers informed they are briefed on the contract terms and conditions and received a copy after signed.	Yes
4.4.5.7	GESB use the attendance record book to monitor workers reporting work and working hours for each day. The working hours is display at the notice board. Overtime rate according to Sabah Labour Ordinance 1967 requirement of 1.5 times hourly rate for normal overtime and 2.0 times hourly rate for rest day. On-site interview with workers they are aware on working hours and overtime rates. Workers informed they are briefed on the working hours when they sign the contract agreement.	Yes
4.4.5.8	GESB working hours are complying with Sabah Labour Ordinance 1950 (Chapter 67). Standard working hours of GESB: Working hours: 6.00 am to 4.00 pm Break time: 10.00 am to 10.30 am / 12.30 pm to 2.00 pm Field observation and interviewed with workers informed they are aware on estate working hours.	Yes
4.4.5.9	GESB provide pay advice to all workers documenting wage for the month and any overtime performed. Workers are paid either piece rate or daily rate. Pay advice of workers was reviewed which of either daily or piece rate, overtime and deduction.	Yes
4.4.5.10	GESB provides benefits for both local and foreign workers such as medical cost, annual leave, sick leave, SOCSO and public holidays as listed in the employment contract.	Yes
4.4.5.11	GESB adopts industry best practices for living quarters with water, electricity, recreational area and gardening area provided. Onsite visit at housing area observed housing compound are well maintained.	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.12	<p>GESB established Social Policy dated 22/06/2019 signed by Operation Director and Administration Director.</p> <p>The policy is displayed at estate notice board.</p> <p>The policy states that prevent sexual harassment against the employees and all forms of violence within estate.</p> <p>Social policy been briefed to estate workers dated 01/02/2020 and external stakeholders dated 09/09/2020. Interviewed with estate workers informed there is no sexual harassment reported in the estate.</p>	Yes
4.4.5.13	<p>GESB established Social Policy dated 22/06/2019 signed by Operation Director and Administration Director.</p> <p>The policy is displayed at estate notice board.</p> <p>The policy states that respect the rights of employees to organize themselves for collective bargaining in accordance with applicable laws and regulations.</p> <p>. Interviewed with estate workers informed there is no union form in GESB. However, worker training / briefing is conducted annually as communication tools between workers and management team.</p>	Yes
4.4.5.14	<p>GESB established Social Policy dated 22/06/2019 signed by Operation Director and Administration Director.</p> <p>The policy is displayed at estate notice board.</p> <p>The policy states prohibit forced labour and child labour of age below 18 years old. The minimum age shall comply with local, state and national legislation.</p> <p>Reviewed on summary list of workers and field observation confirmed there is no employment of children or young persons in the estate.</p>	Yes
4.4.6.1	<p>GESB established annual training program for year 2020 dated 01/06/2020.</p> <p>Training program include:</p> <ol style="list-style-type: none">MSPO Social PolicySOP HarvestingEmergency ResponseComplaint ProcedureZero burning <p>Sighted training records of:</p> <ul style="list-style-type: none">Training on SOP Harvesting dated 06/08/2020 to harvesters.Training on SOP Chemical storage and handling dated 12/08/2020 to chemical sprayers.	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Training on SOP Covid-19 prevention dated 23/03/2020 to estate workers. 	
4.4.6.2	<p>GESB established training matrix for individual to provide the specific skill and competency on job.</p> <p>Estate established the individual training matrix easy to trace training conducted to workers.</p>	Yes
4.4.6.3	<p>GESB established Training Matrix and Training Program Annually dated 01/06/2020.</p> <p>The training needs / program were planned for whole year according to the established activity SOP, which include social, environmental and safety aspects.</p> <p>Example of training programme:</p> <ul style="list-style-type: none"> Environmental awareness briefing in July 2020. Emergency response plan / fire drill in March 2020. MSPO Policy briefing in Feb 2020. 	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>GESB established Environmental Policy dated 28/03/2019 signed by Director.</p> <p>The policy is made available at estate notice board in Bahasa Malaysia and English.</p> <p>GESB has briefed workers on environmental policy on 01/02/2020.</p> <p>Interviewed with workers informed they are aware on the policy.</p>	Yes
4.5.1.2	<p>a GESB established Environmental Policy dated 28/03/2019 signed by Director.</p> <p>GESB been established Environmental management plan (EMP) dated 03/08/2020.</p> <p>The EMP describes the objectives as follows:</p> <ul style="list-style-type: none"> To ensure a continuous awareness of the need to check and monitor key environmental components and take appropriate remedial measures to avoid environmental degradation. To protect environment from neglect, mismanagement and irresponsible activities in palm oil estate operations. To ensure conformation to all the activities are within the law/Acts and legislation of State and Nation. 	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>b GESB established Environmental Management Plan (EMP) dated 03/08/2020.</p> <p>The environmental aspect and impact table is included in the EMP, listing the aspects and impacts analysis by activity.</p> <p>Example:</p> <p>Activity: Chemical spraying</p> <p>Aspects: Chemical residue washed into water</p> <p>Impacts: Water pollutions</p>	Yes
4.5.1.3	<p>GESB established Environmental Management Plan (EMP) dated 03/08/2020 has identified negative and positive impacts, action plan to mitigate negative impacts and promote positives impacts.</p> <p>Example:</p> <p>Activity: Empty chemical containers from Chemical spraying</p> <p>Negative impact: Improper disposal of used empty chemical containers</p> <p>Mitigate: Empty chemical containers to be triple rinsed, label properly and keep in designated store</p> <p>Positive impact: Empty chemical containers can be reused.</p> <p>Promote: Reused empty chemical containers for chemical premix.</p>	Yes
4.5.1.4	<p>GESB established Environmental Management Plan (EMP) dated 03/08/2020 include programme to promote positive impacts.</p> <p>Example:</p> <p>Activity: Pruned oil palm fronds from plantation</p> <p>Positive Impact: Fronds stacking can prevent from soil erosion, retain soil moisture and provide nutrients to palm</p> <p>CIP: Continuous train workers on proper stacking and regular inspection by Mandore</p>	Yes
4.5.1.5	<p>GESB conduct training for workers related to environment as follows:</p> <p>Topic: Domestic waste, empty chemical containers and empty fertilizer bags handling</p> <p>Date: 23/03/2020</p> <p>Topic: Buffer zone protection, No hunting and zero burning</p> <p>Date: 02/07/2020</p> <p>Training programme dated 01/06/2020 is reviewed had include topics for environmental.</p> <p>Example:</p> <p>Environmental awareness</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Date: 02/07/2020 Waste management Date: 23/03/2020	
4.5.1.6	GESB conduct environment meeting with workers on 20/03/2020, 12/06/2020 and 09/09/2020 include agenda as follows: <ul style="list-style-type: none"> Protection of buffer zone Monitoring of water quality 	Yes
4.5.2.1	GESB established baseline for diesel consumption records year 2018 and 2019 dated 10/09/2020 for the farm tractors and transport of FFBs to oil mills which yearly monitored. Review on the diesel consumption records, the baseline value in year 2020 as of August is slightly higher than in year 2019 due to low crop season and chipping activity.	Yes
4.5.2.2	GESB established budget for diesel consumption for year 2020 The total of diesel consumption is monitor on monthly and annually basis for comparison against the budgeted consumption.	Yes
4.5.2.3	Interview with the company director has informed GESB has use solar panel at housing area and this has been confirmed during site visit.	Yes
4.5.3.1	GESB established waste management plan dated 28/05/2019 signed by Director include type of waste. <ul style="list-style-type: none"> i. Gaseous waste ii. Solid waste iii. Liquid waste Example: Gaseous waste Source: Tractors / vehicles Waste type: Gas / Smoke	Yes
4.5.3.2	a GESB established waste identification, environmental impacts, mitigation plans and CIP dated 28/05/2019 covers identification source of wastes and pollutions. Example: Source of waste: Farm tractor Pollutions: Air pollution	Yes
	b GESB established waste identification, environmental impacts, mitigation plans and CIP dated 28/05/2019 covers disposal method of waste generated. Example:	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Empty chemical containers are reused for chemical premix activity and recycle as flower pot.</p> <p>Empty fertilizer bags are reused for loose fruit collection.</p>	
4.5.3.3	<p>GESB established SOP chemical storage and handling dated 09/05/2019 and adopt the SDSs for safe handling and storage of chemicals.</p> <p>SOP describes as follows:</p> <ul style="list-style-type: none"> To ensure good ventilation system in chemical store No children allowed to enter the store Smoking, drinking and eating is prohibited To arrange chemical by type of chemical To kept SDS in the store <p>During site visit to the chemical store observed SOP and SDS are available and displayed.</p>	Yes
4.5.3.4	<p>GESB established disposal of chemical drums (Triple rinse method pictorial guideline) dated 05/01/2019.</p> <p>GESB conduct handling of empty chemical containers dated 23/03/2020 for workers.</p> <p>Onsite interviewed with workers informed they aware on the handling of empty chemical containers.</p> <p>During site visit at chemical store observed empty chemical containers has been rinsed, mark (X) with red color and store at designated area.</p>	Yes
4.5.3.5	<p>GESB domestic waste was collected and disposed to the municipal domestic waste collection.</p>	Yes
4.5.4.1	<p>GESB established Waste Management Plan dated 28/05/2019 include the identification of the source of waste.</p> <p>Example:</p> <p>Solid waste: Fertilizer bags</p> <p>Monitoring plan: Reused for loose fruits collection</p> <p>Liquid waste: Triple rinsing water</p> <p>Monitoring plan: Recycle triple rinse water for chemical premix activity</p> <p>Gases waste: Vehicle</p> <p>Monitoring plan: Monitor the vehicle maintenance frequency</p>	Yes
4.5.4.2	<p>GESB established Environmental Management Plan (EMP) dated 03/08/2020 include action plan to reduce identified significant pollutants and emissions.</p> <p>Example:</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Source of waste: Farm Tractor</p> <p>Waste generated: Gas – Smoke Emission</p> <p>Action plan: Service regularly</p>	
4.5.5.1	<p>a GESB established water management plan dated 10/06/2020 include identification of the source and usage of water.</p> <p>Source of water: Ponds and rain water</p> <p>Usage: Field operations</p> <p>Source of water: Rain water</p> <p>Usage: Domestic</p>	Yes
	<p>b GESB monitoring stream water along the boundary with another estate by means of visual inspection on monthly basis.</p> <p>Latest visual inspection conducted by Estate Manager on 30/08/2020 with no adverse results. The result of the visual inspection as follows:</p> <p>Water condition: Muddy</p> <p>Water condition (Smell): Normal</p> <p>Sign of pollution: No</p>	Yes
	<p>c GESB established Water Management Plan dated 10/06/2020 include plan to optimize water usage.</p> <p>Triple rinsing water will be reused for chemical premixing activity.</p> <p>Ponds are constructed to store water for field application during drought season.</p>	Yes
	<p>d Onsite visit observed buffer zone area is well maintained and palms are marked with red colour.</p> <p>Briefing on buffer zone protection conducted on 02/07/2020.</p> <p>Interviewed with workers informed they aware and understand that chemical spraying and fertilizing activities are prohibited at buffer zone area.</p>	Yes
	<p>e GESB established water management plan dated 10/06/2020 to restore vegetation in riparian and buffer zone.</p> <p>From field observation, there are no vegetation removed from riparian zones.</p> <p>Riparian zones are well maintained.</p>	Yes
	<p>f There are no bore wells constructed to extract ground water.</p> <p>This was observed during inspection of housing and facilities area.</p>	Yes
4.5.5.2	<p>There are no bunds or weirs or dams constructed across Tahid river.</p> <p>This was confirm during field visit observation.</p>	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.5.3	Rainwater harvesting is practice throughout the GESB facilities and housing. Ponds are dug to capture rainwater for field operations.	Yes
4.5.6.1	a GESB established management plan to protect wildlife dated 26/09/2020. Wildlife monitoring form established dated 15/08/2019 for workers to fill up when any wildlife sighted.	Yes
	b GESB had established record of wildlife sighting in vicinity of estate dated 15/08/2019. Example of listed wildlife: i. Birds: Kingfishers ii. Birds: Common Mynah iii. Mammals: Flying squirrels iv. Reptile: Monitor lizards	Yes
4.5.6.2	a GESB established management plan to protect wildlife dated 26/09/2020. The management plan describes that GESB is not located at high biodiversity value area. Management will continuous to maintain human wildlife harmony, to practice no burning, no hunting and wildlife protection. Briefing on legal requirements related to wildlife conducted on 02/07/2020. During site interview with workers informed they understand on wildlife protection. Any sighted wildlife they will feedback to management.	Yes
	b Signage installed to inform public and workers on no hunting and capturing of any wildlife.	Yes
4.5.6.3	GESB had established record of wildlife sighting in vicinity of estate dated 15/08/2019. Briefing on buffer zone and wildlife protection conducted on 23/03/2020 for all workers. Example of wildlife sighted as follows: Date: 03/02/2020 Wildlife sighted: Monitor lizard Location: Block 2 Date: 16/07/2020 Wildlife sighted: Monitor lizard Location: Block 10	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



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

Indicator	Summary of Assessment	Compliance
4.5.7.1	<p>GESB established Environmental policy dated 28/03/2019 states that GESB to practice zero burning in all field activities.</p> <p>During site visit observed no burning signage installed at workers housing and estate notice board.</p> <p>Workers are briefed on zero burning as follows:</p> <p>Date: 01/02/2020</p> <p>Date: 02/07/202</p>	Yes
4.5.7.2	<p>There are no serious palm diseases observed during site visit that required burning.</p> <p>Therefore, no special approval for open burning from relevant authorities.</p>	Yes
4.5.7.3	<p>GESB established Environmental policy dated 28/03/2019 states that GESB to practice zero burning in all field activities.</p> <p>There are no application documents required for approval of controlled burning.</p>	Yes
4.5.7.4	<p>Site observation at replanting area, old palms are felled and chipped. No sign of open burning observed in the field.</p>	Yes

Principle 6: Best Practices

Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>GESB established SOP for the estate operations such as:</p> <ul style="list-style-type: none"> SOP for Transporting FFB from Estate to Mill dated 29/07/2019. SOP for New Planting & Replanting dated 08/07/2020. SOP for Soil conservation & Planting on Slope Areas dated 12/07/2019. <p>Training for Transporting FFB SOP conducted on 02/07/2020 to workers and contractors. Interviewed with estate workers informed that they are aware and understand the SOP of estate operations.</p>	Yes
4.6.1.2	<p>GESB established SOP for soil conservation and planting on slope areas dated 12/07/2019.</p> <p>The procedure describes;</p> <ol style="list-style-type: none"> Practices to minimize the damages as a result of erosion. No planting at area with > 25 degree slope. 10 degree back slope and silt pit for water retention. Planting of Legume cover crops to reduce surface runoff. Stalk pruned fronds on the slopes to act flow breaker to reduce runoff 	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 6: Best Practices								
Indicator	Summary of Assessment	Compliance						
	vi. Maintain riparian zones along the river / stream. Sighted silt pits, terracing and riparian zones of the replanting block are well maintained.							
4.6.1.3	GESB established permanent block marker for each block that include block number, block size, planting year and planting material.	Yes						
4.6.2.1	GESB established long-term business plan for 5 years from 2020 to 2025. The plan includes: i. Sales of FFB ii. Operating expenses iii. Admin & General expenses iv. Replanting budget / expenses	Yes						
4.6.2.2	GESB established replanting programme for year 2020 and 2021 as below: <table><tr><th>Replanting Schedule</th><th>Area (Hectare)</th></tr><tr><td>July to Dec 2020</td><td>20</td></tr><tr><td>Mar to Aug 2021</td><td>20</td></tr></table>	Replanting Schedule	Area (Hectare)	July to Dec 2020	20	Mar to Aug 2021	20	Yes
Replanting Schedule	Area (Hectare)							
July to Dec 2020	20							
Mar to Aug 2021	20							
4.6.2.3	The business plan for 2018 until 2022 is established. The plan includes: i. Planting material ii. Yearly production iii. Price forecast per tonne iv. Cost production per tonne v. Crop projection based on mature and immature area. vi. Income / profit	Yes						
4.6.2.4	GESB established monthly reports trading and profit & loss account to monitor the income and expenditure, FFB production and price of FFB. Sighted the latest monthly report dated 30/06/2020.	Yes						
4.6.3.1	GESB established pricing mechanism for services such as FFB transportation and Replanting activities / services. GESB using both contract and quotation method to engage external parties. Example: Replanting Contractor Quotation for infrastructure works (construction of repair road and drain work, construction of new road, de-boiling, stacking, shipping, hiring,	Yes						

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	terracing, platform 10x10) include description, unit of measure and contract rates is recorded and maintained by GESB. Invoices sighted dated 30/07/2020 and the payment voucher issued dated 28/09/2020 and paid to contractor according to the agreed quotation rates.	
4.6.3.2	GESB engaged external parties for FFBs transportation. The contract agreement dated 01/01/2019 between FFB transporter and GESB is reviewed. Contract agreement are duly agreed with term and conditions and signed by both parties. Sighted payment voucher to transporter dated 25/07/2020. The payments made is according to the term and condition in the contract agreement.	Yes
4.6.4.1	GESB engaged external parties for FFBs transportation. The contract agreement dated 01/01/2019 between Sabah Jaya Enterprise and Gromax Enterprise Sdn Bhd is review. The contract agreement statement includes the contractor to adhere to MSPO principles of transparency, compliance of legal requirements and payment to workers based on minimum wage order set by legislation. MSPO briefing conducted to contractor during external stakeholder meeting on 09/09/2020.	Yes
4.6.4.2	GESB has engaged external parties for FFBs transportation. The contract agreement dated 01/01/2019 between FFB Transporter and GESB is reviewed. Contract agreement are duly agreed with term and conditions and signed by both parties.	Yes
4.6.4.3	The contract agreement between the FFB Transporter and GESB include the contractor to adhere to MSPO principles of transparency, compliance of legal requirements and payment to workers based on minimum wage order set by legislation. MSPO briefing conducted to contractor during external stakeholder meeting on 09/09/2020.	Yes
4.6.4.4	GESB payment to FFB Transporter based on monthly FFB production report monitored by Administration Director prior to issue payment. Sighted payment voucher to FFB Transporter dated 25/07/2020 for FFBs transportation.	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	GESB Planting statement is review. There is no new planting. The 1 st planting is conducted on 1991 and the 1 st replanting in 2015. Therefore, no biodiversity assessment required.	Yes
4.7.1.2	GESB Planting statement is review. There is no new planting. The 1 st cycle replanting conducted in 2015 for an area of 41 ha that is less than 100ha. Therefore, no PMM required.	Yes
4.7.2.1	GESB planting statement and maps are review there is no peat land. Site observation indicates there is no peat soil within the GESB.	Yes
4.7.3.1	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no SEIA conducted.	Yes
4.7.3.2	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no SEIA conducted.	Yes
4.7.3.3	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no SEIA conducted.	Yes
4.7.3.4	There is no smallholders scheme in GESB. Therefore, not applicable.	Yes
4.7.4.1	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no soil map established.	Yes
4.7.4.2	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no topography map established.	Yes
4.7.5.1	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no map established and no permit available.	Yes
4.7.5.2	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no plan to minimize adverse impacts or significantly increased risk for planting on fragile and marginal soil established.	Yes
4.7.5.3	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no soil map established.	Yes
4.7.6.1	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	GESB Planting statement is review. There is no new planting conducted within the estate. There is no sacred sites, therefore no management plan established.	Yes
4.7.6.3	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no SOP on handlings any customary land ownership and compensation established.	Yes
4.7.6.4	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no compensation and agreement established.	Yes

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



4.7.6.5	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no identification and assessment of legal and recognized customary rights established	Yes
4.7.6.6	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no system established for calculating the compensation for distribution.	Yes
4.7.6.7	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no compensation plan established.	Yes
4.7.6.8	GESB Planting statement is review. There is no new planting conducted within the estate. Therefore, no communities affected.	Yes

4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.
	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.
X	No non-conformity raised in previous audit.
<p><i>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.</i></p> <p><i>Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.</i></p>	

4.5. Detail of Audit Findings in last audit

There is no non-conformity raised in last audit.

4.6. Detail of Onsite Audit Findings Identified During This Audit

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

ONSITE AUDIT OUTCOME		
During this onsite audit,	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1	4.4.4.2 (h)	h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees	Estate	GESB may consider improve on emergency response of chemical spillage.

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



Nr.	Indicator	Description	Location	Opportunity for Improvement
2	4.4.6.1	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.	Estate	GESB may consider improve on training for contractors.
3	4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	Estate	GESB may consider improve on environment meeting agenda.

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



5. CONCLUSION

Gromax Enterprise Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

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 TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

Any audit is based on sampling within an organization's management system and therefore is not a guarantee of 100 % conformity with requirements.

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

Total certified number of estate:	1	
Total certified production area:	81.00	Ha
Certified FFBs January to September 2020:	1,155.00	Mt
Project FFBs October to December 2020:	300.00	Mt

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



6. RECOMMENDATION

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

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

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

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

	Recommended for Certification
X	Recommended for Continuity of Certification
	Recommended for Suspension of Certification

Puchong, 19/10/2020

Chan Shi Lie
TUV NORD (Malaysia) Sdn Bhd
Team Leader

Puchong, 19/10/2020

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

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



7. LIST OF STAKEHOLDERS

Table 7-1: List of Interviewed Stakeholders

No.	Organisation
1.	Evergreen Agrochemicals Trading S/B
2.	Wilpros Enterprise Sdn Bhd

MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn. Bhd.

Certifying Unit: Gromax Enterprise Sdn. Bhd.

Client Number: 92-116

Audit Type: ASA 01

Mode of Audit: Onsite



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 or 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 / Checklists
- ☒ Audit Plan