



# MSPO CERTIFICATION SUMMARY REPORT

GROMAX ENTERPRISE SDN BHD

STAGE 2 – CERTIFICATION AUDIT

Date: 01/12/2019

TUV NORD (Malaysia) Sdn Bhd  
No. 9F-1A, 9<sup>th</sup> Floor, Tower 2 @ PFCC  
Jalan Puteri ½, Bandar Puteri Puchong  
47100 Puchong, Selangor.  
Phone: +603 8600 4031/4032  
Fax: +603 8600 4550

---

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



## Table of Contents

1.	INTRODUCTION .....	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and qualification of team members	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 Plantations	11
4.	CERTIFICATION ASSESSMENT .....	13
4.1.	Certification Audit	13
4.2.	Stakeholders' Consultation	13
4.3.	Summary of Assessment	15
4.4.	Status of Non-Conformities Previously Identified	34
4.5.	Detail of Audit Findings in last audit	34
4.6.	Detail of Audit Findings Identified During This Audit	34
5.	CONCLUSION	36
6.	RECOMMENDATION	37
7.	LIST OF INTERVIEWEES	38
	Annex / Enclosures	38

## Abbreviations

<b>CHRA</b>	Chemical Health Risk Assessment
<b>CPO</b>	Crude Palm Oil
<b>CSR</b>	Corporate Social Responsibility
<b>DOE</b>	Department of Environment
<b>EFB</b>	Empty Fruit Bunch
<b>EIA</b>	Environment Impact Assessment
<b>FFB</b>	Fresh Fruit Bunch
<b>GAP</b>	Good Agricultural Practice
<b>GPS</b>	Global Positioning System
<b>ISCC</b>	International Sustainability & Carbon Certification
<b>ISO</b>	International Standard Organisation
<b>MSPO</b>	Malaysia Sustainable Palm Oil
<b>NC</b>	Non Conformity
<b>OSH</b>	Occupational Safety and Health
<b>P&amp;C</b>	Principle and Criteria
<b>PK</b>	Palm Kernel
<b>POME</b>	Palm Oil Mill Effluent
<b>PPE</b>	Personal Protective Equipment
<b>RSPO</b>	Roundtable Sustainable Palm Oil
<b>RTE</b>	Rare, Threatened and Endangered Species
<b>SA8000</b>	Social Accountability 8000
<b>SIA</b>	Social Impact Assessment
<b>SOP</b>	Standard Operating Procedure
<b>WHO</b>	World Health Organization
<b>MPOB</b>	Malaysian Palm Oil Board
<b>MPOCC</b>	Malaysia Palm Oil Certification Council
<b>SDS</b>	Safety Data Sheet

---

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



## 1. INTRODUCTION

Gromax Enterprise Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification audit for its Gromax Enterprise 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 certification audit is to assess Gromax Enterprise Sdn Bhd by an independent certification body with the aim for compliance of the standard.

### 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 MSPO 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 members

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

#### Qualification of the Lead Auditor: Muhammad Khairul Anuar Bin Azizul Hasan

Requirement	Qualifications
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	Graduate in Plantation Industry and management

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



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)	7 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530: 2013 LA 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.	Qualified as auditor, conducted more than 3 certification audits with total more than 15 man-days audits.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and/ or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 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 and Auditor MSPO and RSPO 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 IMS 9001, 14001 and 45001 LA course, Auditor for MSPO and RSPO scheme.

### Qualification of Team Members

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	Zul Hairi bin Abu Hassan	Graduate in Plantation Industry and management	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Requirement	Assessor	Qualification	Compliance
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			
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)	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
Successfully completed MS 2530 series of standards training	Zul Hairi bin Abu Hassan	Successfully completed MS2530: 2013 LA 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 and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Zul Hairi bin Abu Hassan	Qualified as auditor. Conducted more than 6 on-site audit with more than 20 man-days.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Zul Hairi bin Abu Hassan	Able to communicate in Bahasa Malaysia and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Zul Hairi bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Zul Hairi bin Abu Hassan	Successfully completed 45001 LA course, Auditor for MSPO and RSPO scheme.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Zul Hairi bin Abu Hassan	Successfully completed SA 8000 Basic training and Auditor MSPO and RSPO scheme.	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Requirement	Assessor	Qualification	Compliance
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Zul Hairi bin Abu Hassan	Successfully completed 14001 LA course, Auditor for MSPO and RSPO scheme.	

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



## 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.

The certification audit is conducted in 2 stages in accordance to the certification procedure.

### Stage I:

Stage I audit is conducted on 17/06/2019 at estate office that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
  - Group Operating Policies
  - Estate maps
  - Land titles
  - Standard Operating Procedures including Agricultural Manual
  - Work Flow Charts
  - Operating licenses and approvals
  - Operating records
  - Training records
  - Applicable Legislation Documents
- Interviews of relevant operation personnel



## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



- Assessment reporting

### Stage II:

Certification audit is conducted on 08/10/2019 to 09/10/2019 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;
- Review and closed out of non-conformance raised during stage 1 audit;
- Assessment reporting;

For list of all reviewed documents refer to chapter 7, Table 7-1.

### On-site Assessment

The audit of the estates 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 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 certification audit, Gromax Enterprise has 1 estate. Therefore, no selection required.

**Table 2-1: List of Estate**

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

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



### 3. ORGANISATION INFORMATION

Gromax Enterprise Sdn Bhd is an oil palm plantation company located in Sandakan and the estate is 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) (Oct 2019 to Sept 2020)
	Total*	Production**	
Gromax Enterprise Sdn Bhd	82.88	81.00	1,260.00
<b>Total</b>	<b>82.88</b>	<b>81.00</b>	<b>1,260.00</b>

\*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	GESB
1990	81.00
<b>Total Mature</b>	<b>81.00</b>
<b>Total Immature</b>	<b>0.00</b>
<b>Total Oil Palm</b>	<b>81.00</b>

#### 3.3. Replanting program for each estate

Year of replanting	Planted area (ha) in each estate	Total area to be replanted (ha)
2020	40.00	40.00
<b>TOTAL</b>	<b>40.00</b>	<b>40.00</b>

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

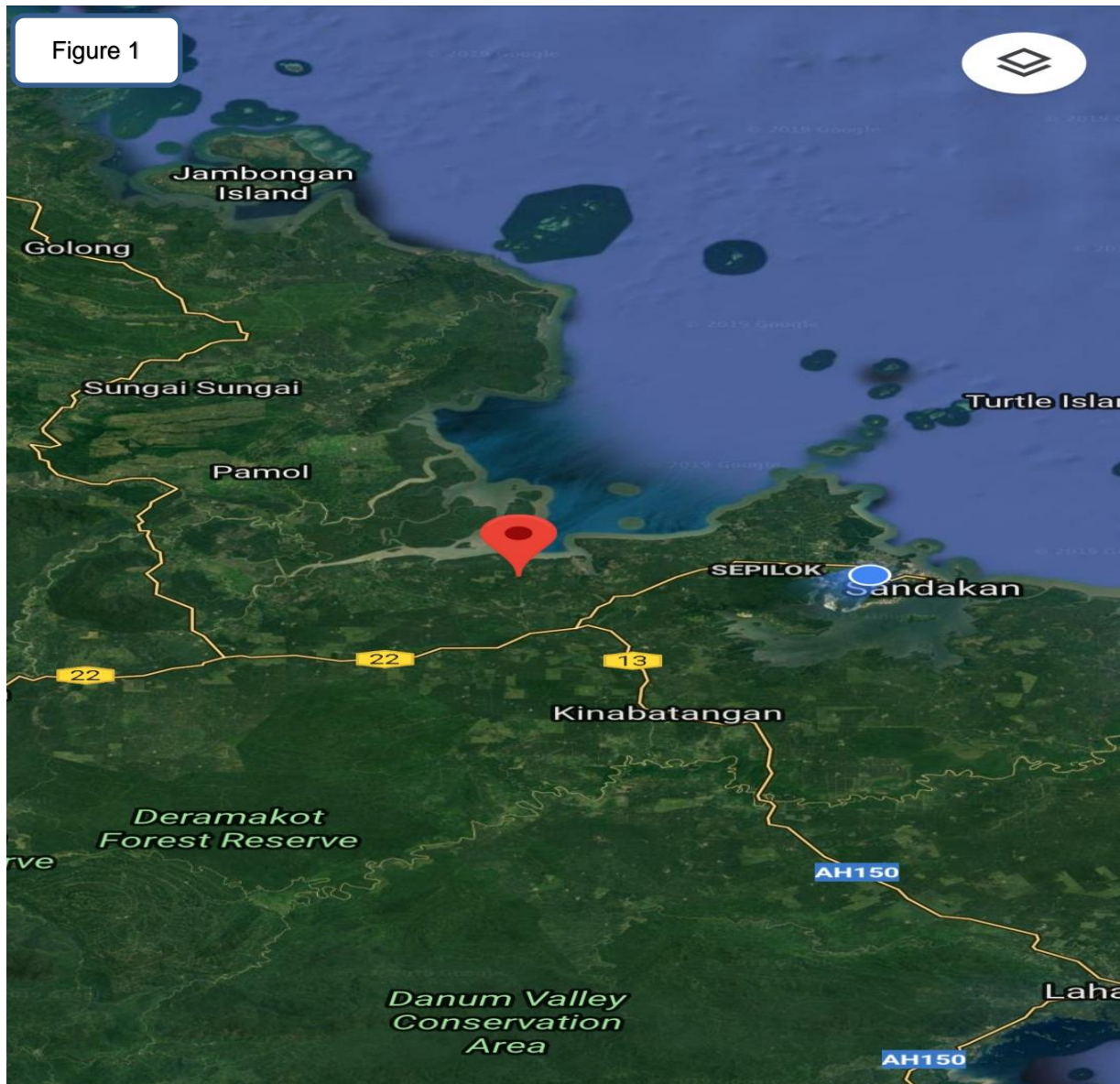
Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



## 3.4. Maps of Company Location and Plantations



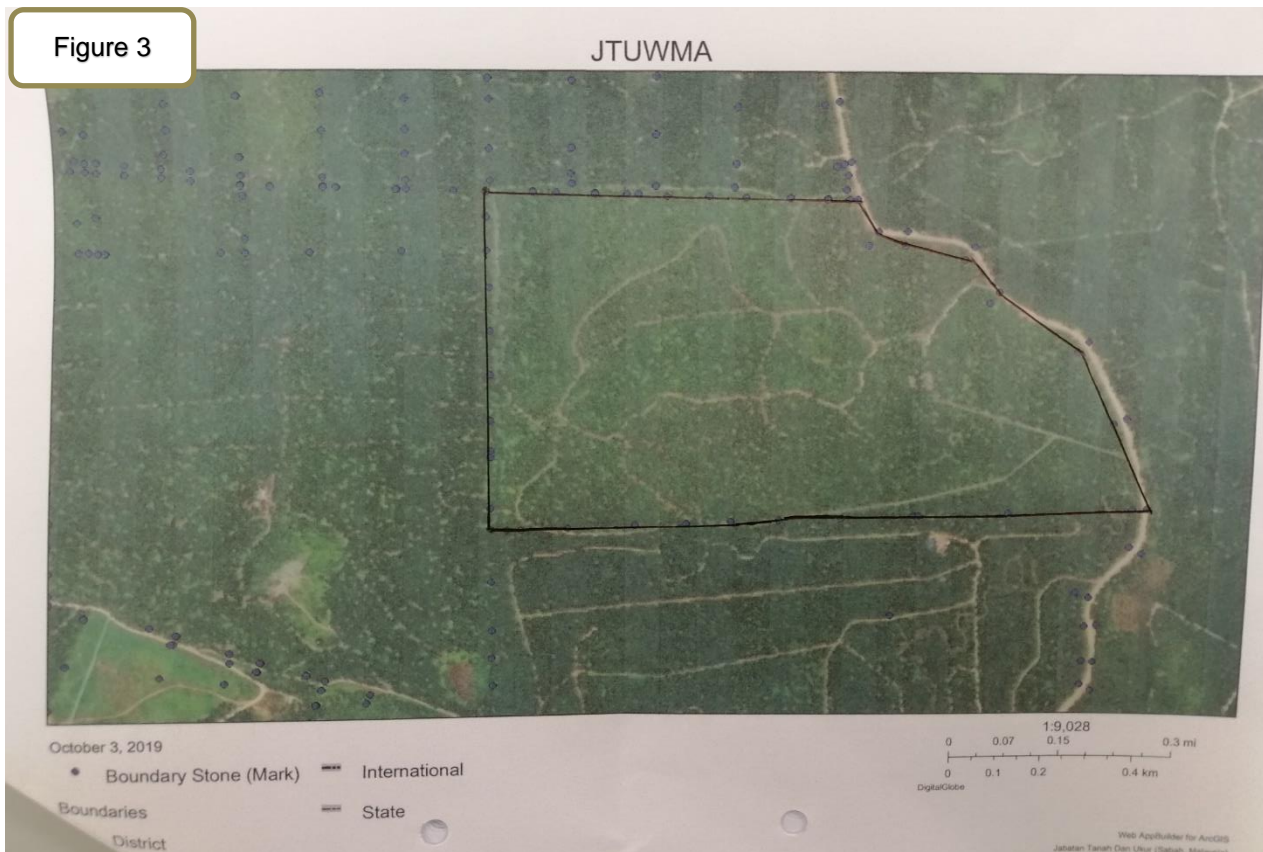
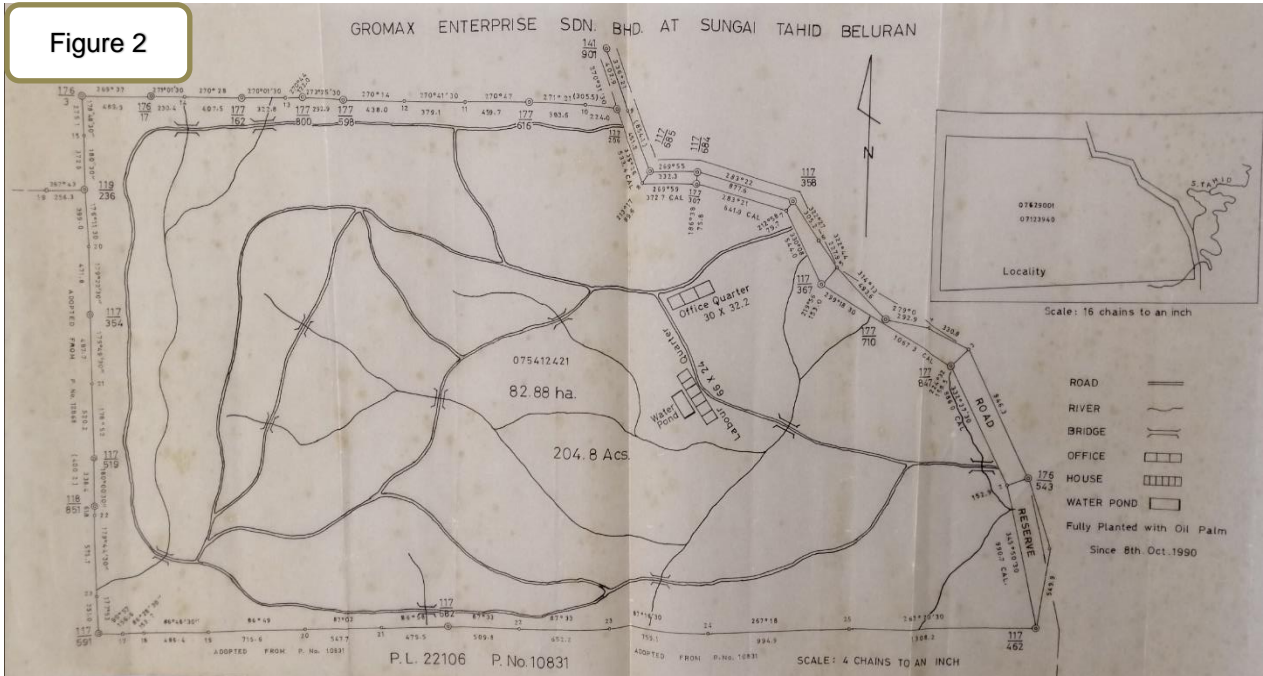
# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



### 4. CERTIFICATION ASSESSMENT

#### 4.1. Certification Audit

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. Certification Audit:

The objective of the certification audit is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which

- do not have any certification or
- those having management system certification e.g. ISO, COP.

These organization shall undergo both Stage I and II audit

Gromax enterprise Sdn Bhd does not has any certification, therefore, has to undergo Stage I audit.

The audit team has apply the Malaysian Sustainable Palm Oil Part 3: General principles for oil palm plantations and organised smallholders audit guidance to assess the established documents against the Principles and Criteria of the standard

The Stage I audit is conducted on 17/06/2019 at estate office covering the following activities:

- Onsite interviews and inspections;
- Review of documentation for compliance to relevant P & C requirements for plantation and mill;
- Reporting of findings found during Stage I audit;

##### 4.1.2. Certification Audit:

The certification audit is conducted on 08/10/2019 to 09/10/2019 covering 1 estate.

During the certification audit there are 5 Opportunities for Improvement (OFI) raised.

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 4.5 of this report.

#### 4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 28/08/2019 as to accommodate stakeholder's consultation meeting for Gromax Enterprise Sdn Bhd to provide comments. As at audit date on 08/10/2019 there are no comments received.

Invitation letters are sent on 28/08/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 08/10/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



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  
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 is 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 confirmed of MSPO audit via invitation letter received.	Positives comments through Gromax Enterprise Sdn Bhd.
2	Social issues	There is no social issues raised by the stakeholders on social issues.	Positives comments through Gromax Enterprise Sdn Bhd.
3	Type of land title – Country Leased, Provisional Leased, Native title	Interview of the stakeholders participant are not local communities. Therefore, no input on this topic.	No action required.

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Interview of the stakeholders participant are not local communities. Therefore, no input on this topic.	No action required.
5	Does MSPO largely benefits the local community?	Interview of the stakeholders participant are not local communities. Therefore, no input on this topic.	No action required.
6	Environmental understanding	Interview of the stakeholders participant are not local communities. Therefore, no input on this topic.	No action required.
7	Awareness towards species, habitats, and high conservation values	Interview of the stakeholders participant are not local communities. Therefore, no input on this topic.	No action required.
8	Are there any plantation management practices that affect you?	Interview of stakeholders participant 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 has confirmed that estate has taken effort to meet the MSPO requirements.	Positives comments towards Gromax Enterprise Sdn Bhd
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 dated 28/03/2019 signed by Director.</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 the workers on 01/10/2019.</p>	Yes

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



<b>Principle 1: Management Commitment &amp; responsibility</b>		
<b>Indicator</b>	<b>Summary of Assessment</b>	<b>Compliance</b>
	Interview with the workers confirmed that they are aware and understand the policy.	
4.1.1.2	GESB sustainability policy describes the 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.	Yes
4.1.2.1	GESB established SOP for Internal Audit dated 26/06/2019. Frequency of internal audit is once a year. Latest internal audit conducted on 01/10/2019. Internal audit conducted raised 4 findings on permits, medical surveillance, chemical handlings and waste management plan. The internal audit results identify strong and weak points.	Yes
4.1.2.2	GESB established SOP for Internal Audit dated 26/06/2019. Latest internal audit conducted on 01/10/2019. Internal audit conducted has identify the strength and weakness point. Strength point: Documentation and legal compliance up to-date and fulfill the MSPO requirements. Weakness point: slow in carried out training due to focusing on harvesting operation. Potential area for improvement: those training not adequate or effective will be conducted again.	Yes
4.1.2.3	Internal audit results are presented in the management review dated 03/10/2019.	Yes
4.1.3.1	GESB has conducted management review dated 03/10/2019. Frequency of management review is once a year after closure of internal audit. The meeting agenda include reporting of the internal audit results and improvement plans.	Yes
4.1.4.1	GESB has established CIP dated 02/05/2019. Latest updated of CIP is on 02/10/2019. The topics covered in the CIP as below: <ul style="list-style-type: none"> <li>• legal compliance</li> <li>• environmental</li> <li>• emissions &amp; pollution</li> <li>• social responsibility</li> <li>• health &amp; safety</li> <li>• miscellaneous</li> </ul>	Yes



# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



<b>Principle 1: Management Commitment &amp; responsibility</b>		
Indicator	Summary of Assessment	Compliance
	The CIP describe the improvement action, expected outcome, timeframe, review and monitor, budget and status of review.	
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 captured in the CIP as audit date.</p>	Yes
4.1.4.3	<p>GESB established flowchart for new technology information and technique dated 28/05/2019.</p> <p>The flow charts describe:</p> <ul style="list-style-type: none"> <li>• call supplier to introduce product</li> <li>• proposal of product</li> <li>• planning - location of pilot study</li> <li>• demo schedule</li> <li>• evaluation of pilot study</li> <li>• decision to proceed</li> <li>• established work procedure</li> <li>• implementation</li> <li>• monitoring for further improvement.</li> </ul> <p>The flow chart includes training of operators or employees involved in implementations, techniques and equipment.</p>	Yes

<b>Principle 2: Transparency</b>		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>GESB has established list of stakeholders dated 28/05/2019. The last updated of list dated 03/09/2019.</p> <p>The list of stakeholders are:</p> <ol style="list-style-type: none"> <li>1. Government agencies</li> <li>2. Non-governmental organization</li> <li>3. Oil mills &amp; collection centers</li> <li>4. Suppliers</li> <li>5. Transporter</li> <li>6. Neighbors</li> <li>7. Others (passport agent and finance auditor)</li> </ol>	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>Latest stakeholders consultation conducted on 23/09/2019 includes the following agenda;</p> <ol style="list-style-type: none"> <li>1. MSPO certification status</li> <li>2. Renew of MPOB license for MSPO certified estate only.</li> <li>3. Price of FFB sold to collecting centre.</li> <li>4. Labor shortage in oil palm estates.</li> <li>5. Pay rated offered among the surrounding estates.</li> </ol>	
4.2.1.2	<p>GESB established "list of publicly available documents" dated 18/09/2019 in both Bahasa Malaysia and English and displayed at the estate notice boards.</p> <p>Example of publicly available document:</p> <ol style="list-style-type: none"> <li>i. Company policies</li> <li>ii. Complaint and Grievance procedure</li> <li>iii. MPOB license</li> </ol> <p>Example of confidential document:</p> <ol style="list-style-type: none"> <li>i. Planting Statements</li> <li>ii. Financial Report</li> <li>iii. Pay slips</li> </ol>	Yes
4.2.2.1	<p>GESB established flow chart for consultation and communication dated 28/05/2019.</p> <p>The flow chart describes:</p> <ul style="list-style-type: none"> <li>• Communication to employee and other stakeholders.</li> <li>• Enquiry/issue from employee and other stakeholders.</li> </ul> <p>The stakeholders are briefed on the consultation and communication flowchart and complaint flowchart during the stakeholders meeting held on 23/09/2019.</p> <p>Stakeholders and workers interview could demonstrate the flowchart of complaint.</p>	Yes
4.2.2.2	<p>GESB appointed the estate manager for handling communication and consultation and stakeholder's engagement.</p>	Yes
4.2.2.3	<p>GESB has established list of stakeholders dated 28/05/2019. The last updated of list dated 03/09/2019.</p> <p>The stakeholders list include Government agencies, NGOs, oil mill and collection centre, suppliers, transporters, neighboring estates and others (passport agents and account auditor).</p> <p>Consultation &amp; Communication flowchart states the timeframe to attend any grievance or complaint received within 30 working days.</p>	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>The outcome is inform to the workers and stakeholders through the complaint form.</p> <p>The stakeholders are briefed on the consultation and communication flowchart and complaint flowchart during the stakeholders meeting held on 23/09/2019.</p> <p>Workers are briefed on consultation and communication flowchart on 11/09/2019.</p> <p>There is no complaint lodge as at audit date.</p>	
4.2.3.1	<p>GESB has established the SOP traceability, dated 28/05/2019.</p> <p>The SOP describes:</p> <ol style="list-style-type: none"> <li>1. Identification and register applicable traceability documents , records on FFBs production and sales of FFBs</li> <li>2. To ensure revised documents are updated for traceability implementation.</li> <li>3. Traceability records with 5 years retention period.</li> <li>4. Frequency of traceability record by annual management review meeting.</li> <li>5. List of records on crop production that should be available for inspection.</li> </ol> <p>GESB use Delivery Note as a document from estate for transporting FFBs to the mills.</p> <p>The delivery note states mill name, date and time delivery, vehicle number, driver name, identification and acknowledgement.</p>	Yes
4.2.3.2	<p>GESB conducts regular inspections of the traceability system during internal audit and monthly check by the Director prior to issue invoice to the mills for payment.</p> <p>The internal audit conducted on 01/10/2019 has no findings raised on traceability.</p>	Yes
4.2.3.3	<p>GESB has established the MSPO committee. The committee include the traceability person in charge.</p> <p>GESB appoints the Director and mandore as person in-charge for maintaining the traceability system.</p>	Yes
4.2.3.4	<p>Records for sales and delivery of FFBs are documented and maintained. Sighted monthly records of sales and delivery of FFBs documented from January to August 2019.</p> <p>GESB maintained the FFB delivery note, weighbridge ticket from the mill.</p> <p>FFB delivery note includes DN number, mill name, date and time delivery, vehicles number, driver name, identification and acknowledgement.</p> <p>Weighbridge ticket includes date, crop supplier, lorry number, transporter, product, time, weight, DN number and acknowledgement.</p>	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	Traceability has describe records keeping for 5 years retention period.	

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	GESB established list of permits and licenses stating type and validity dates. Example: 1. MPOB License No: 502278102000 valid until 30/11/2019 2. Trading License no: R26254/97	Yes
4.3.1.2	GESB has established list of legal documents dated 15/06/2019. Example; <ul style="list-style-type: none"> <li>• Immigrations Act 1959</li> <li>• Workers minimum wage order 2018</li> <li>• Sabah Labour Ordinance Cap 67</li> <li>• Environmental Quality Act 1974</li> </ul>	Yes
4.3.1.3	GESB has established list of legal register with updated on 15/06/2019. Example; Employees Social Security Act 1969	Yes
4.3.1.4	GESB has established the MSPO committee to manage traceability. The Director Admin as person in-charge to monitor compliance and update the changes in regulatory requirements.	Yes
4.3.2.1	GESB land title is review. Country leased title no: 075412421 Date: 22/12/1984, leased for 99 years until 21/12/1983 Land usage is for purpose of cultivation of oil palm.	Yes
4.3.2.2	GESB has land title: Country lease title no: CL 075412421 Date: 22/12/1984 Land title issued to Gromax Enterprise on dated 22/12/1984 Land usage is for purpose of cultivation of oil palm. Period of land title from 1984 to 2082 (99 years)	Yes
4.3.2.3	The land title has a map with the title number and size in ha / acre. The map has the boundary stones numbering. Site verification sighted the boundary stones are established and maintained.	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



<b>Principle 3: Compliance to legal requirements</b>		
Indicator	Summary of Assessment	Compliance
4.3.2.4	The land title is issued by Director of Lands and Surveys, Sabah. Therefore, no disputes and FPIC required	Yes
4.3.3.1	GESB land title is country leased issued by Director of Lands and Surveys, Sabah.  There are no native or customary sub-leased land by GESB. Therefore, not applicable.	Yes
4.3.3.2	GESB land title is country leased issued by Director of Lands and Surveys, Sabah.  There are no native or customary sub-leased land by GESB. Therefore, no map established.	Yes
4.3.3.3	GESB land title is country leased issued by Director of Lands and Surveys, Sabah.  There are no native or customary sub-leased land by GESB. Therefore, no FPIC determined.	Yes

<b>Principle 4: Social Responsibility, health, safety and employment conditions</b>		
Indicator	Summary of Assessment	Compliance
4.4.1.1	GESB has established SIA dated 30/09/2019. The SIA includes information from survey and meeting feedback from internal and external stakeholders and a summary of positive and negative impacts and the timeline to monitor for completion.  Example: Positive impact Social Impact: Housing and basic amenities are provided. Action plan: Housing improvement and basic amenities are planned and enhanced in long term.PIC: Estate in charge Dated: Continuous. Negative impact: Social impact: During dry season the drinking water is not enough. Action plan: Provide more water tank and obtain from outside PIC: Estate in charge Date: 6 month after SIA conducted.  The SIA will be reviewed once a year with feedback from stakeholders.	Yes
4.4.2.1	GESB established Complaint and Grievance procedure dated 28/05/2019.  The procedure is displayed in notice board in estate.  The procedure states that any complaint received by estate in charge should be resolve within 30 days after investigate.  Site interview with field workers, understand the process to make complaint or grievance when required.	Yes

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance	
4.4.2.2	<p>GESB established Complaint and Grievance procedure dated 28/05/2019.</p> <p>The period to resolve and complaint and grievance is within 30 working days from the date reporting to estate in charge.</p> <p>Complaint record book is review. There no complaints lodged as at audit date.</p> <p>Workers interview confirmed no complaint lodged as at audit date.</p>	Yes	
4.4.2.3	The complaint and grievance form is available at the office notice board that can be access by all workers and stakeholders.	Yes	
4.4.2.4	<p>GESB has conducted training to workers including the complaint and grievance procedure on 01/10/2019.</p> <p>The internal stakeholder conducted on 11/09/2019 and external stakeholder meeting 23/09/2019.</p> <p>During interview with workers they are able to demonstrate their awareness on the procedure and complaint could be lodged at any time.</p>	Yes	
4.4.2.5	Review of complaint records there are no complaints lodged as at audit date 09/10/2019.	Yes	
4.4.3.1	GESB s provides contracts to local communities for FFB evacuation to mill.	Yes	
4.4.4.1	<p>Safety and Health policy dated 28/03/2019 signed by Operation Director.</p> <p>The policy is available at the office notice boards.</p> <p>Records of training on safety policy conducted on 01/10/2019.</p>	Yes	
4.4.4.2	a	<p>Records of training on safety conducted on 28/03/2019</p> <p>The safety and health policy is available at the notice boards.</p>	Yes
	b	<p>Risk assessment has established dated 28/05/2019 that covers all relevant field activities.</p> <p>The HIRARC table include activity, hazards, potential risk, existing controls initial risk rating, additional control/ recommendations, person in charge, hazards control are implemented, date of implementations</p> <p>Example:</p> <p>Hazards: Harvesting tall palm incorrect length of pole used.</p> <p>Potential risks: Eye injury, PNI to head, shoulder, hands, arm and hip down to knee.</p> <p>Existing control: Toolbox (harvesting SOP), infield supervision, first aid provided onsite.</p> <p>Risk rating: 4</p> <p>Additional controls/recommendations: Continues safety awareness in harvesting</p> <p>PIC: Supervisor and mandore</p>	

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
c i	<p>Training needs analysis established dated 20/08/2019</p> <p>Training conducted:</p> <p>Training SOP spraying, chemical mixing, storage &amp; handling conducted on 06/10/2019.</p> <p>MSPO health &amp; safety policy on 01/10/2019.</p>	
c ii	<p>SDS is available at the store.</p> <p>Example: SDS for chemical magnesium oxide effective date 02/01/2018.</p> <p>SDS is available in English and Bahasa Malaysia.</p> <p>Store is in good condition and locked with liquid chemical placed on tray. All liquids are stored below powder.</p> <p>All chemicals have original labelling.</p>	
d	<p>GESB has established records of PPEs issued as at 07/10/2019.</p> <p>Records for issuance of safety helmet, eye wear, face mask, apron and rubber glove issued on 01/02/2019 and 29/09/2019 sighted</p>	
e	<p>GESB established SOP chemical mixing dated 09/05/2019.</p> <p>SOP states follow the instruction recommendation by each chemical dosage for workers safety and reduce excessive use of chemical.</p> <p>SOP chemical storage and handling dated 09/05/2019 states store with good ventilation. During site observation store with good ventilation.</p> <p>CHRA conducted and valid from 11/09/2019 to 10/09/2024.</p> <p>CHRA is conducted on 11/09/2019 by third party and report dated 26/09/2019, ref no: HQ/11/ASS/00/298-2019/188.</p>	
f	<p>Organization chart was reviewed and the person in charge for safety and health is the Operation Manager.</p>	
g	<p>GESB has conducted safety and health meeting on 05/10/2019. .</p> <p>Minutes of meeting was reviewed.</p> <p>Meeting agenda includes safety and health during operation work, PPE, premix chemical and harvesting safety.</p> <p>Meeting minute and attended list is reviewed. There is no accident / injury reported during the meeting.</p>	
h	<p>GESB has established emergency respond plan dated 28/05/2019 that include a flow chart with contract number made available at notice board.</p>	
i	<p>The estate in-charge and all workers are trained in first aid on 23/06/2019. All operations has first aid kits.</p>	
j	<p>GESB has register with JKKP dated 27/03/2019.</p>	

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Incident book sighted no records of accident and injury as an audit date.	
4.4.5.1	<p>GESB established Social Policy dated 22/06/2019 signed by Operation Director include a statement:</p> <p>“Provide equal opportunity and fair treatment to all employees”.</p> <p>The policy is displayed at notice board in Bahasa Malaysia language.</p> <p>Training of social policy conducted on 01/10/2019 for all workers.</p> <p>During site verification and interview with workers, they are aware of the policy.</p>	Yes
4.4.5.2	<p>GESB has established Social Policy dated 22/06/2019 that 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.</p> <p>The policy is displayed at notice board.</p> <p>During interview with workers, they confirmed there is no discrimination practices.</p>	Yes
4.4.5.3	<p>GESB has established contract agreement for workers in accordance to Sabah Labour Ordinance.</p> <p>Worker contract agreement states the pay rate of RM5.37 per hours in accordance to the minimum wages 2018. The working contracts are signed by workers and management.</p> <p>The check roll and pay slip is review that the worker pay is in line with Minimum Wage Regulation 2018.</p>	Yes
4.4.5.4	<p>GESB engage contractors for FFB transport from estate to mill, therefore, contractor worker wage available for review.</p> <p>The pay slip of contractor worker is review with pay in line with Minimum Wage Regulation 2018.</p>	Yes
4.4.5.5	<p>GESB has established list of workers that contain name, gender, date of birth, date joined, job description and nationality.</p> <p>Document review and site interview confirmed all workers are permanent. .</p>	Yes
4.4.5.6	<p>GESB has established worker contract for every worker recruited.</p> <p>The work contract is duly signed by management and worker.</p> <p>The working contract is briefed to worker on the terms and conditions, wage, position, and copy is provided.</p> <p>During site interview with workers confirmed they have been briefed on the contract terms and conditions and received a copy after signed.</p>	Yes
4.4.5.7	<p>GESB has established ‘Masa Kerja Di Ladang’ and displayed at notice board.</p> <p>Check roll is used to record the daily reporting for work.</p>	Yes



## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Pay slip is review and crosscheck against daily check roll on the daily attendance.	
4.4.5.8	<p>GESB has established 'Masa Kerja Di Ladang' and displayed at the notice board.</p> <p>The working hours for estate starts from 6:00am to 4:00pm with rest time from 10:00am to 10:30am and 12.30 pm to 2:00 pm.</p> <p>Reviewed of the pay slip, contract and check roll of workers for working hours and OT complied with legal regulations.</p> <p>During field visit workers feedback they understand the working hours and overtime time. Worker confirmed the paid rate is in line with legal requirements.</p>	Yes
4.4.5.9	<p>Pay records are reviewed to crosscheck the wage paid is in line with legal regulations and working contracts.</p> <p>The wages records from September 2019 sighted are according to the Minimum Wage Order 2018.</p> <p>Interview with workers demonstrate they understood the wages and overtime paid.</p>	Yes
4.4.5.10	GESB has provide benefits to workers such as medical care, housing, water and electricity.	Yes
4.4.5.11	<p>GESB adopt the industry best practices for workers housing.</p> <p>Site observation on the worker living quarters has basic amenities such as water, electricity and gardening area.</p>	Yes
4.4.5.12	<p>GESB has established Social policy dated 22/06/2019.</p> <p>The policy includes prevent sexual harassment and any others forms of violence against women, workers, and community.</p> <p>The policy is displayed at notice boards.</p> <p>The policy briefing to workers conducted on 01/10/2019</p> <p>No complaint lodged for related issue.</p>	Yes
4.4.5.13	<p>Social Policy dated 22/06/2019 states Respect employees that have rights and freedom to form or join trade union. In the policy point no 6 protect the productive rights of women.</p> <p>During the interview with workers 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 has established Social Policy dated 22/06/2019 point no 5 describes 'Melarang buruh paksa dan buruh kanak-kanak berumur di bawah 18 tahun. Umur minimum hendaklah mematuhi undang-undang yang ditetapkan dalam negeri dan negara'.</p> <p>Worker personal file and workers master list review indicate no child labour employed by the estate.</p>	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Onsite observation, no child labour or young person employed by estate. List of workers dated 09/10/2019 has review all workers are above 18 years prior joining GESB.	
4.4.6.1	GESB has established training plan 2019 dated 20/06/2019. Trainings provided to workers and contractor Policies, Safe working practices, Safety, Employment, Environmental awareness, Waste management.	Yes
4.4.6.2	Training need analysis dated 20/08/2019 and training matrix dated 06/10/2019 established.	Yes
4.4.6.3	Continuous training program plan for year 2019 dated 20/06/2019 for all employees based on job function.	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	GESB has established Environmental policy dated 28/03/2019 signed by Administration Director and Operation Director. The policy is made available at estate notice board in both Bahasa Malaysia and English. GESB established environmental management plan, dated 28/05/2019. Environmental management plan includes waste identification, environmental impacts, mitigation plans, and continuous improvement plans. Environment policy training conducted on 01/10/2019.	Yes
4.5.1.2	a GESB has established Environmental policy dated 28/03/2019 sign by Administration Director and Operation Director. The objective is committed to minimize the environmental impacts of its operations and understands the importance of conserving nature resources. We shall strive to promote environmental improvements whenever practical that will ensure a sustainable future.	Yes
	b GEBS has established environmental management plan dated 28/05/2019. Environmental management plan includes identification of waste products and potential source of GHG emission. Example: Aspect and impact: 1. Disposal of spent lubricant: Spillage of lubricant / oil in the store. 2. Chemical: Spillage of chemical during premixing and dispensing	Yes

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	3. Empty pesticide container: Ground and surface water contamination if not following the correct treatment.	
4.5.1.3	<p>The environmental aspect and impacts assessment established dated 28/05/2019 include negative impact and promote the positive.</p> <p>Example: Empty Pesticide Containers.</p> <p>Negative impact: Ground and surface water contamination of not following the correct treatment.</p> <p>Plans &amp; monitoring programs: All empty chemical containers must get triple rinsing treatment before disposal/keep in store.</p> <p>Positive impact: Empty pesticide container can be recycled after triple rinsing.</p> <p>Continuous improvement program: Triple rinsing training, monitor recycling program, disposal of empty chemical container.</p>	Yes
4.5.1.4	<p>GESB established CIP in the environmental management plan where the positive impact promoted.</p> <p>Example: Improvement action: Protection and preservation of buffer zone.</p> <p>Expected outcome: All water sources through the plantation areas have buffer zone and to be maintain.</p> <p>Timeframe: On going</p> <p>Review and monitor: Buffer zones and continuously monitoring.</p>	Yes
4.5.1.5	<p>Training program has established on 20/06/2019. Training program includes</p> <ul style="list-style-type: none"> <li>• Policies</li> <li>• Environmental awareness</li> <li>• Waste management</li> </ul> <p>Training for the environmental policy and environmental management plan conducted on 01/10/2019.</p>	Yes
4.5.1.6	<p>GEBS has conducted environmental meeting dated 05/10/2019.</p> <p>The meeting include workers to discuss environmental issue.</p> <p>Agenda discussion include set up buffer zone to protect the river from being polluted and to keep water from contaminated.</p>	Yes
4.5.2.1	<p>GESB has established baseline for diesel consumption records for last year 2018. Baseline has established to monitor usage of diesel year 2019.</p> <p>The baseline is a guideline to monitor and compare against the actual usage.</p> <p>Sighted records of low diesel usage due to low production of FFB.</p>	Yes
4.5.2.2	<p>GESB has established non-renewable energy estimates for year 2019.</p>	Yes

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	GESB has established records of diesel consumption on monthly basis for comparison against estimates. Records sighted as at August year 2019.	
4.5.2.3	Interview with the company director planning to use solar panels for workers quarters.	Yes
4.5.3.1	GESB has established waste management plan dated 10/05/2019. WMP identification of wastes by 3 types, gaseous, solid and liquid. Example: Gaseous waste Source: Tractor / vehicle Waste Type: gas / smoke.	Yes
4.5.3.2	a GESB has established waste management plan dated 28/05/2019. Example: Liquid waste Source: chemical store / premix area Spilled liquid chemicals: SOP chemical store / premix area established that state to use tray to avoid incidence of spillage.	Yes
	b Waste management plan include the table for the recycle. Empty chemical containers are reused for pre-mix chemicals, rotten bunch and fronds to enhance soil nutrients.	
4.5.3.3	GESB has established SOP chemical storage and handling dated 09/05/2019 and adopt the SDS for safe handling and storage of chemicals. All the empty containers reused for chemical spray.	Yes
4.5.3.4	GESB has established SOP Disposal of chemical drums (Triple rinse method) dated 09/05/2019. The SOP describe: <ul style="list-style-type: none"> <li>• Drain the container. Pour remain water into sprayer tank.</li> <li>• Add clean water.</li> <li>• Replace cap and shake vigorously for 30 seconds.</li> </ul> The rinsed water reused for field application. All of empty containers are labelled and marked for reused. During visit at chemical store sighted the empty chemical container has been rinsed, mark (X) with red colour and reused for spraying activities.	Yes
4.5.3.5	No landfill in the estate. All domestic wastes collected and disposed by Majlis Perbandaran Sandakan.	Yes
4.5.4.1	GESB has been established waste management plan dated 28/05/2019. WMP with identification of wastes divide to 3 types, gaseous, solid and liquid. Pollution plan of wastes established to reduce pollution.	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance	
	<p>Example:</p> <p>Solid: Domestic wastes collected and disposed by Majlis Perbandaran Sandakan.</p> <p>Empty chemical container: Reused after rinsing for field application.</p> <p>Gaseous: Maintenance of oil.</p>		
4.5.4.2	<p>Action plan established in the waste management plan dated 28/05/2019.</p> <p>Example:</p> <p>Greenhouse gas (GHG) Emission</p> <p>Environmental impacts:</p> <p>Negative impacts: GHG emissions can have adverse effect on the environmental</p> <p>Plan and monitoring program: daily usage of fossil fuel monitoring as liters/tFFB.</p>	Yes	
4.5.5.1	a	<p>GESB has established water management plan dated 08/07/2019.</p> <p>The water source is from rain.</p> <p>Water management plan includes rainfall records.</p> <p>In prolong drought, management purchase water when required.</p> <p>Interview with workers confirm the management transport water from outside during dry season.</p>	Yes
	b	<p>GESB estate is monitoring stream water along the boundary with another estate by means of visual inspection. Sighted visual monitoring report dated 08/07/2019 with no adverse results.</p>	
	c	<p>Field drain are constructed to drain excessive water in the field, from monsoon rain and avoid over flooding in the field.</p> <p>Pruned fronds stacked between two palm rows. Pruned fronds can retain and preserve soil moisture.</p> <p>Water quality monitoring checklist doc no: V. dated 08-07-2019 has established to monitor domestic used water and riparian area.</p>	
	d	<p>GESB signage installed at buffer / riparian zones.</p> <p>Workers are brief on environment such as riparian zone, protected animal on 16/10/2019.</p> <p>Interview with the workers confirmed that they are aware and understood that spraying and fertilizing activities are prohibited at buffer zone area.</p>	
	e	<p>Field observation indicates there are no vegetation removed from riparian zones.</p> <p>Riparian zones are well maintained.</p>	
	f	<p>Site observation at housing area no bore wells implemented.</p>	

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.5.2	There are no bunds or weirs or dams constructed across rivers. This was confirmed during field visit.	Yes
4.5.5.3	GESB practices rain harvesting for domestics used. Ponds are dug to capture rainwater for field operations.	Yes
4.5.6.1	a GESB has established document of wildlife sighted in vicinity of estate dated 15/08/2019. Wildlife monitoring form established dated 15/08/2019 for workers fill up when any wildlife sighted. Training on no hunting conducted on 16/10/2019	Yes
	b GESB has established document of wildlife sighted in vicinity of estate dated 15/08/2019. List of wild life records example. Birds: White breast water hen Mammals: Flying squirrel Reptiles: Monitor Lizard Training on no hunting conducted dated 16/10/2019 includes of wildlife sighted in the estate for worker awareness.	
4.5.6.2	a GESB has established document of wildlife sighted in vicinity of estate dated 15/08/2019. Wildlife monitoring form established dated 15/08/2019 for workers fill up when any wildlife sighted. No hunting and penalty signage sighted at estate notice boards, buffer zones area. During site interview, workers understand on wildlife conservation. They confirmed any wildlife sighted to feedback to estate management	Yes
	b Signage installed to inform public and workers on no hunting and capturing of any wildlife. Briefing on environment (include wildlife and buffer zone) conducted on 16/10/2019 for all workers.	
4.5.6.3	Wildlife monitoring form established dated 15/08/2019 for workers to report when any wildlife sighted.	Yes
4.5.7.1	GESB has established environmental policy dated 28/03/2019 signed by Administration Director and Operation Director. Zero burning practices included in the environmental policy. No replanting work sighted during field observation.	Yes
4.5.7.2	There are no serious palm diseases sighted during the field visits that require burning. Therefore, no special approval for open burning from the relevant authorities	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



<b>Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>		
Indicator	Summary of Assessment	Compliance
4.5.7.3	GESB established Environment policy dated 28/03/2019 that include no open burning.  There are no application documents for approval of controlled burning sighted.	Yes
4.5.7.4	During field visits, no replanting sighted. Planting statement review that last replanting was in year 2015. Therefore, will review in next replanting activity.	Yes

<b>Principle 6: Best Practices</b>		
Indicator	Summary of Assessment	Compliance
4.6.1.1	GESB has established SOPs for the operations dated 09/05/2019.  Example of SOPs established: <ol style="list-style-type: none"> <li>1. SOP for harvesting</li> <li>2. SOP for manuring</li> <li>3. SOP for chemical handling</li> <li>4. SOP for chemical mixing</li> </ol> Training for harvesting conducted on 06/10/2019 and manuring conducted on 29/09/2019.	Yes
4.6.1.2	GESB has established SOP for soil conservation and planting on slopes areas dated 12/07/2019.  The procedure describes; <ol style="list-style-type: none"> <li>1. Practices to minimize the damages as a result of erosion.</li> <li>2. No planting at area with &gt; 25 degree slope.</li> <li>3. 10 degree back slope and silt pit for water retention.</li> <li>4. Planting of Legume cover crops to reduce surface runoff.</li> <li>5. Stalk pruned fronds on the slopes to act flow breaker to reduce runoff</li> <li>6. Maintain riparian zones along the river / stream.</li> </ol>	Yes
4.6.1.3	GESB has established block marker at every block of estate.  Sighted in the block marker are block number, field size, seedlings and year of planting.	Yes
4.6.2.1	GESB established long-term business plan for 5 years from 2018 to 2022.  The plan describes; <ul style="list-style-type: none"> <li>- Sales of FFB</li> <li>- Operating expenses</li> <li>- General expenses</li> <li>- Replanting expenses</li> </ul>	Yes

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Replanting budget allocation for year 2020.	
4.6.2.2	GESB established replanting programme for year 2020 for 40 hectares dated 05/07/2019.	Yes
4.6.2.3	The business plan for 2018 until 2020 is established. The plan has includes; <ul style="list-style-type: none"> <li>- Planting material</li> <li>- Yearly production</li> <li>- Price forecast per ton</li> <li>- Cost production per ton</li> <li>- Crop projection based on mature and immature area.</li> <li>- Income / profit</li> </ul>	Yes
4.6.2.4	GESB established monthly report for trading and profit & loss account to monitor the income and expenditure, FFB production and price of FFB. Sighted the latest monthly report dated 31/08/2019.	Yes
4.6.3.1	GESB has engaged external parties for FFBS transportation. The contract agreement dated 01/01/2019 between contractor and Gromax Enterprise Sdn Bhd is review. The contract states the rates and terms of payment for FFBS transportation. Contract agreement is duly agreed and signed by both parties.	Yes
4.6.3.2	GESB has engaged external parties for FFBS transportation. The contract agreement dated 01/01/2019 between contractor and Gromax Enterprise Sdn Bhd is review. Contract agreement is duly agreed with term and conditions and signed by both parties. Sighted payment voucher to transporter dated 03/10/2019. The payment made is according to the terms and conditions in the contract agreement.	Yes
4.6.4.1	GESB has engaged external parties for FFBS transportation. The contract agreement dated 01/01/2019 between Contractor and Gromax Enterprise Sdn Bhd is review. The contract agreement has includes the contractor to adhere to MSPO principles of transparency, compliance of legal requirements and payment to workers based on minimum wage order 2018. Training to the contractor conducted on 27/09/2019.	Yes
4.6.4.2	GESB has engaged external parties for FFBS transportation. The contract agreement dated 01/01/2019 between Contractor and Gromax Enterprise Sdn Bhd is review. Contract agreement are duly agreed with terms and conditions and signed by both parties.	Yes



## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



<b>Principle 6: Best Practices</b>		
Indicator	Summary of Assessment	Compliance
4.6.4.3	<p>GESB has engaged external parties for FFBs transportation.</p> <p>The contract agreement dated 01/01/2019 between Contractor and Gromax Enterprise Sdn Bhd is review.</p> <p>There is a general statement for MSPO audit stated in the contract agreement.</p>	Yes
4.6.4.4	<p>GESB payment to contractors based on monthly FFB production report monitored by Director Admin prior to issue payment.</p> <p>Sighted payments to contractor dated 02/05/2019 for FFBs transportation.</p>	Yes

<b>Principle 7: Development of new planting</b>		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>GESB planting statements is review. There is no new planting.</p> <p>Site observation indicates there is no new planting conducted within the estate.</p> <p>The 1<sup>st</sup> planting is on 1990 and the 1<sup>st</sup> replanting is on 2015.</p>	Yes
4.7.1.2	<p>GESB planting statements is review. There is no new planting.</p> <p>There is replanting in November 2015 for an area of 41 ha that is less than 100 ha. Therefore, no Proposal for Mitigation Measures (PMM) required.</p>	Yes
4.7.2.1	<p>GESB planting statement and map is review. There is no peat land sighted.</p> <p>Site observation indicates there is no peat land within the estate.</p>	Yes
4.7.3.1	<p>GESB planting statement is review and there is no new planting. Therefore, no SEIA conducted.</p>	Yes
4.7.3.2	<p>GESB planting statement is review and there is no new planting. Therefore, no SEIA conducted.</p>	Yes
4.7.3.3	<p>GESB planting statement is review and there is no new planting. Therefore, no SEIA conducted.</p>	Yes
4.7.3.4	<p>There are no smallholder's scheme in GESB certification. Therefore, not applicable.</p>	Yes
4.7.4.1	<p>GESB planting statement is review and there is no new planting. . Therefore, no soil map established.</p>	Yes
4.7.4.2	<p>GESB planting statement is review and there is no new planting. Therefore, no topography map established.</p>	Yes
4.7.5.1	<p>GESB planting statement is review and there is no new planting. Therefore, no map established and no permit available.</p>	Yes
4.7.5.2	<p>GESB planting statement is review and there is no new planting. Therefore, no plan established.</p>	Yes
4.7.5.3	<p>GESB planting statement is review and there is no new planting. Therefore, no soil map established.</p>	Yes

# MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.6.1	GESB planting statement is review and there is no new planting. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	GESB planting statement is review and there is no new planting conducted. There is no sacred sites, therefore no management plan established.	Yes
4.7.6.3	GESB planting statement is review and there is no new planting. Therefore, no SOP established.	Yes
4.7.6.4	GESB planting statement is review and there is no new planting. Therefore, no compensation and agreement established.	Yes
4.7.6.5	GESB planting statement is review and there is no new planting. Therefore, no assessment established.	Yes
4.7.6.6	GESB planting statement is review and there is no new planting. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	GESB planting statement is review and there is no new planting. Therefore, no compensation plan established.	Yes
4.7.6.8	GESB planting statement is review and there is no new planting. Therefore, no communities affected.	Yes

## 4.4. Status of Non-Conformities Previously Identified

X	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.
	Not applicable. 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

Stage 1 audit findings corrective actions are reviewed during the stage 2 certification audit process.

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

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

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

## MSPO Certification Summary Report

Company Name: Gromax Enterprise Sdn Bhd

Certifying Unit: Gromax Enterprise

Client Number: 92-116

Audit Type: Stage 2 - Certification Audit



Nr.	Indicator	Location	Opportunity for Improvement
1.	4.1.2.2	Office	Management could consider to improve in addressing the findings raised in the internal audit.
2.	4.3.1.3	Office	The legal register could be improve to include the most recent legal documents.
3.	4.5.1.1	Office	Management could consider to improve the information stated in the environmental management plan table.
4.	4.6.4.1	Office	Management could consider to improve the content of training conducted to the contractor related to MSPO requirements.
5.	4.6.4.3	Office	Management could consider to improve the statements in the contract agreement related to MSPO audit by the external parties.

## 5. CONCLUSION

Gromax Enterprise Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification 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 MS 2530-Part 3:2013.

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 estates:	1	Estate
Total certified production area:	81	Ha
Certified FFBs January to September 2019:	1,024.44	Mt
Projection FFBs October to December 2019:	320.00	Mt

## 6. RECOMMENDATION

The audit team conduct a process-based audit focussing 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

<input checked="" type="checkbox"/>	Recommended for Certification
<input type="checkbox"/>	Recommended for Continuity of Certification
<input type="checkbox"/>	Recommended for Suspension of Certification

Puchong, 30/11/2019



Muhammad Khairul Anuar bin Azizul  
Hasan  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 30/11/2019



Nur Amanina Zahir  
TUV NORD (Malaysia) Sdn Bhd  
Certifier / Approver

## 7. LIST OF INTERVIEWEES

**Table 7-1: List of Interviewed Persons and Stakeholders**

No.	Name	Organisation / Function
1	Sarjan Norbert	Balai Polis KM 52
2	Konstabel Alif	Balai Polis KM 52
3	Joseph Kaput	Pembangunan Ladang Mills
4	Abd Razak Sarkarsah	Pembangunan Ladang Mills
5	Jamrin Ipung	Pembangunan Ladang Mills
6	Jinggo anak Punan	Balai Polis Sandakan

### 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 / Checklists
- Audit Plan
- Additional annexes, number