



MSPO CERTIFICATION SUMMARY REPORT

JEROCO PLANTATIONS SDN. BHD.

JEROCO PALM OIL MILL 1

ANNUAL SURVEILLANCE 02

Date: 16/12/2019

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Company Name: Jeroco Plantations Sdn Bhd

Certifying Unit: Jeroco Palm Oil Mill 1

Client Number: 92 – 031

Audit Type: ASA 02



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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
GMP	Good Milling Practices
GPS	Global Positioning System
ISO	International Standard Organisation
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
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
SDS	Safety Data Sheet
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
WHO	World Health Organization
JPOM 1	Jeroco Palm Oil Mill 1
HSPSB	Hap Seng Plantations Sdn Bhd
JGOE	Jeroco Group of Estates
SSGOE	Sungai Segama Group of Estates
TMGOE	Tamanggong Group of Estates

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1. INTRODUCTION

Jeroco Plantaations Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct Annual Surveillance 02 audit for its Jeroco palm oil mill 1 according to MS 2530-4:2013 Part 4 General principles for palm oil mills.

1.1. Objective

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

1.2. Scope

The certification is based on the documentation established by the Jeroco POM 1.

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

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

1. Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mill audit guidance;
2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and Qualification of team members

The audit team appointed consists of the team leader and 4 team members. The team contributes to the review of documents, assessment of the project activity and preparation of this report.

Qualification of the Lead Auditor (Trainee): Sheron Pui Ling Wui

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	Bachelor in Medical Science.

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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)	Lead Auditor (trainee) in training with 3 years working experience in QA, QMS and internal audit, and 1.5 years in MSPO audit experience.
Successfully completed MS 2530 series of standards training	Successfully complete MSPO LA training, RSPO P&C LA, SCC and ISCC-EU training course.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	LA in training for MSPO scheme with 16 man-days under the supervision of a qualified MSPO Lead auditor.
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 English, Chinese and Bahasa Malaysia.
Field working experience in the palm oil sector, or demonstrable equivalent	Qualified MSPO auditor. Have been conducting audits for both MSPO and RSPO
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Qualified as auditor for MSPO and RSPO schemes.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 18001 or Occupational, Health & Safety Assurance System	Successfully completed ISO 45001:2018 Lead Auditor course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training. Qualified as auditor for MSPO scheme.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed ISO 14001:2015 Lead auditor course and auditor for MSPO 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	Muhammad Khairul Anuar bin Azizul Hasan	Graduate in Applied Science (Major in Plantation and management)	Yes
	Ariff Bin Lokman	Graduate in Plantation industry management.	Yes

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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	Chan Shi Lie	Graduate in Technology Media (Major in Broadcasting)	Yes
	Mohd Nur Amin Mohd Halim	Graduate in Office Management & Technology.	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)	Muhammad Khairul Anuar bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
	Ariff Bin Lokman	7 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
	Mohd Nur Amin Mohd Halim	6 years working experience in both upstream & downstream of oil palm industry.	Yes
Successfully completed MS 2530 series of standards training	Muhammad Khairul Anuar bin Azizul Hasan	Successfully completed MS2530 2013 LA series training.	Yes
	Ariff Bin Lokman	Successfully completed MS2530 LA series training	Yes
	Chan Shi Lie	Successfully complete MS2530 P&C LA training	Yes
	Mohd Nur Amin Mohd Halim	Successfully completed MS2530 P&C 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.	Muhammad Khairul Anuar bin Azizul Hasan	Qualified as auditor and Lead auditor for MS2530 scheme.	Yes
	Ariff Bin Lokman (AL)	Qualified as auditor and Lead auditor for MS2530 scheme.	Yes
	Chan Shi Lie	Trainee auditor	Auditor in training
	Mohd Nur Amin Mohd Halim	Trainee auditor	Auditor in training

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Requirement	Assessor	Qualification	Compliance
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Muhammad Khairul Anuar bin Azizul Hasan	Able to communicate in Bahasa Malaysia and English.	Yes
	Ariff Bin Lokman (AL)	Able to communicate in Bahasa Malaysia and English.	Yes
	Chan Shi Lie	Able to communicate in Bahasa Malaysia and English.	Yes
	Mohd Nur Amin Mohd Halim	Able to communicate in Bahasa Malaysia and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Muhammad Khairul Anuar bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
	Ariff Bin Lokman (AL)	7 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
	Mohd Nur Amin Mohd Halim	6 years working experience in sustainability for oil palm industry for upstream and downstream activities.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Muhammad Khairul Anuar bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
	Ariff Bin Lokman (AL)	7 years working experience in oil palm plantations.	Yes
	Chan Shi Lie	6 years working experience in oil palm plantations.	Yes
	Mohd Nur Amin Mohd Halim	6 years working experience in sustainability for oil palm industry for upstream and downstream activities..	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or	Muhammad Khairul Anuar bin Azizul Hasan	Successfully completed IMS 9001, 14001 and 45001 LA course for MSPO.	Yes

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Requirement	Assessor	Qualification	Compliance
Occupational, Health & Safety Assurance System	Ariff Bin Lokman (AL)	Successfully completed IMS 9001, 14001 and 45001 LA course.	Yes
	Chan Shi Lie	Successfully completed IMS 9001, 14001 and 45001 LA course	Yes
	Mohd Nur Amin Mohd Halim	Successfully completed IMS ISO 9001, 14001, 45001 LA course training attended.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Muhammad Khairul Anuar bin Azizul Hasan	Successfully completed SA 8000 Basic training and auditor MSPO schemes	Yes
	Ariff Bin Lokman (AL)	Successfully completed SA 8000 Basic training and auditor MSPO schemes	Yes
	Chan Shi Lie	Trainee Auditor	Auditor in training
	Mohd Nur Amin Mohd Halim	Trainee Auditor	Auditor in training
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Muhammad Khairul Anuar bin Azizul Hasan	Successfully completed IMS 9001, 14001 and 45001 LA course	Yes
	Ariff Bin Lokman (AL)	Successfully completed IMS ISO 9001, 14001, 45001 LA course	Yes
	Chan Shi Lie	Successfully completed IMS ISO 9001, 14001, 45001 LA course	Yes
	Mohd Nur Amin Mohd Halim	Successfully completed IMS ISO 9001, 14001, 45001 LA course..	Yes

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

Annual Surveillance 02 (ASA 02):

ASA 02 is conducted on 23/09/2019 covers the following activities but not limited to below:

- Onsite inspection, observations and inspections of mill facilities such as process, workshops, stores, wastewater treatment system, waste handling and disposal sites, workers and staff living quarters, receiving and delivery of products for compliance to relevant Principles & Criteria of the applied standard;
- Interview operation personnel for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during stage 1 audit;
- Assessment reporting;

For list of personnel participated in the audits refer attendance sheet and Table 7-1.

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On-site Assessment

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

The methodology for collection of objective evidences include 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 are used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

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 and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be reviewed and verified during the next audit.

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3. ORGANISATION INFORMATION

Jeroco Palm Oil Mill 1 is the subsidiary of Jeroco Plantations Sdn. Bhd located at off 50km Jalan Jeroco Lahad Datu, Sabah, Malaysia.

Jeroco POM met Malaysia Palm Oil Board licensing requirement.

The mill began operation in 15/05/1986 with an operating capacity of 60 MT per hour.

Name of Mill	Location	Coordinates
Jeroco POM 1	Jalan Jeroco, Lahad Datu, Sabah	N 5.431112°; E 118.417224°

3.1. Production volume

Projection Volume for Jan 2019 to Dec 2019			Actual volumes Jan 2019 to August 2019			Projected volume Jan 2020 to Dec 2020		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
284,384.66	83,087.22	18,394.28	180,724.66	38,855.22	8,655.28	216,630	47,219	10,397

3.2. Maps of Company and Mill Location

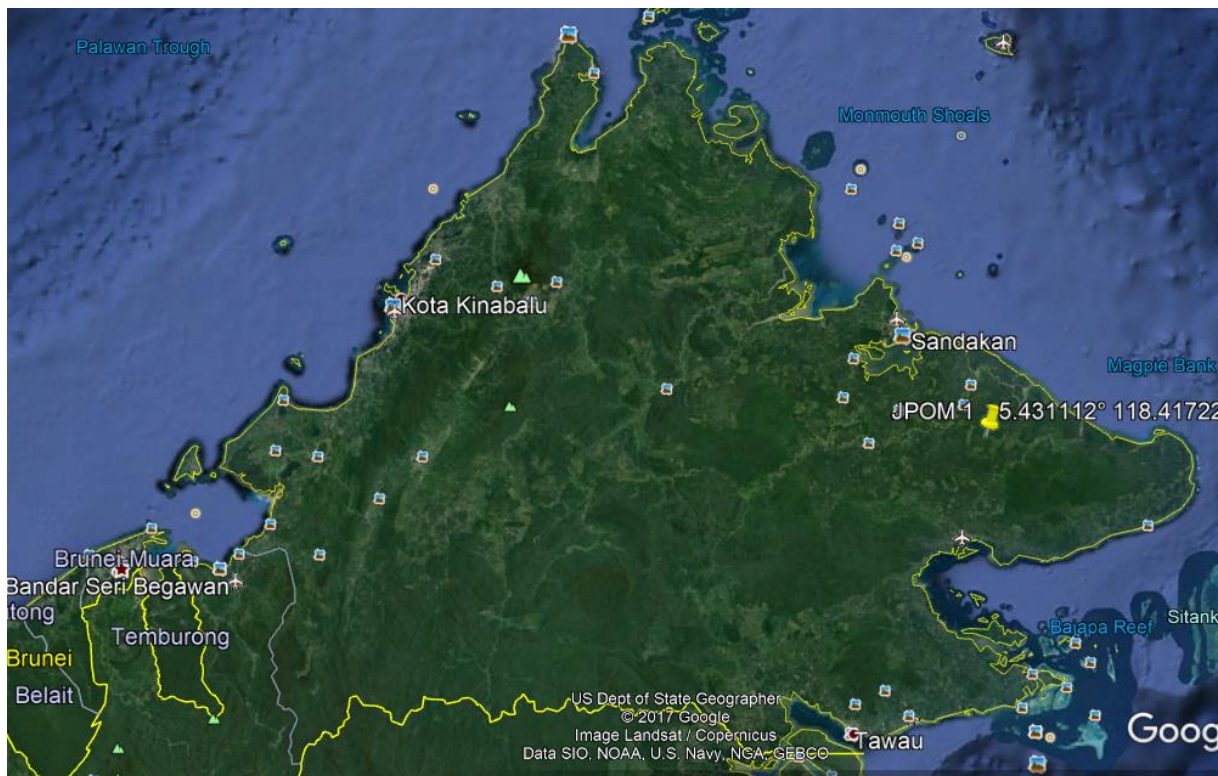


Figure 1: Location of Jeroco POM 1.

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Figure 2: Location of Jeroco POM 1.

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4. CERTIFICATION ASSESSMENT

4.1. Annual Surveillance 02

The objective of the audit is to assess the activities of the Jeroco Palm Oil Mill1 (JPOM1) are in compliance with MS 2530-4: 2013 Part 4: General principles for palm oil mills.

4.1.1. Annual Surveillance 02:

The annual surveillance 02 audit is conducted on 23/09/2019

During the ASA01 audit, there are 0 Major, 1 Minor finding and 0 Opportunity for Improvement (OFI) are raised.. Action plan is submitted for Minor non-conformance with implementation will be review during the next audit.

During this audit, the minor non-compliance raised in the last audit, the audit team has review by means of inspection of mill activities, conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the mill team. The corrective measures implemented could be verified as appropriate.

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

The number of audit findings raised in this audit refer to Section 4.6 of this audit report.

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 21/08/2019 as to accommodate stakeholder's consultation meeting for Jeroco POM 1 to provide comments. As at audit date on 23/09/2019 there are no comments received.

Invitation letters are sent on 21/08/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 23/09/2019 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.
4. Wildlife management and wildlife corridor.
5. Type of wildlife sighted at 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.

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- 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 that they have been informed a logbook and form available at the office to lodge any complaints or suggestions.

- 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.

- 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 land 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.

Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from the Company on MSPO audit?	Stakeholder confirmed of MSPO audit via invitation letter received.	Positive comment
2	Social issues	Stakeholder attended is not local communities. Therefore, no related information obtained.	No action required.
3	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholder attended is not local communities. Therefore, no related information obtained.	No action required.
4	Does MSPO largely benefits the local community?	Stakeholder attended is not local communities. Therefore, no related information obtained	No action required.
5	Environmental understanding	Stakeholder attended is not local communities. Therefore, no related information obtained	No action required.
6	Support to smallholders	Stakeholder attended is not smallholders. Therefore, no related information obtained.	No action required.
7	FFB quality	Stakeholder attended is not local communities. Therefore, no related information obtained.	No action required.

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Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
8	Are there any mill management practices that affect you?	Stakeholder attended confirmed there is no mill practices that affected the surrounding such as the HCV and riparian area.	Positive comment
9	Do you consider the management is in conflict with the MSPO principles and criteria?	Stakeholder confirmed the mill management is working towards for MSPO requirement on riparian area.	Positive comment
10	Do you have any suggestions for management?	No suggestion.	No action required.

4.3. Summary of Findings

Principle and Criteria Assessment Summary
<p>The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits where all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-4. The summary of the assessment can be seen 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>JPOM 1 adopted HSPSB group MSPO policy dated 24/03/2017 signed by Chief Executive – Group Plantation.</p> <p>The policy is publicly available at the office notice board and security guardhouse.</p> <p>Company Policies briefed to workers conducted on 13/05/2019 include MSPO policy.</p> <p>The external stakeholders meeting conducted on 29/04/2019 briefed on the company policies.</p> <p>During site interviews with workers, they are aware of the MSPO policy.</p>	Yes
4.1.1.2	<p>JPOM 1 adopted HSPSB group MSPO policy dated 24/03/2017 signed by Chief Executive – Group Plantation.</p> <p>The policy states the company committed to continual improvement practice by harnessing its resources of people processes and technology in order to ensure the continuous production of oil palm products in a sustainable manner.</p>	Yes
4.1.2.1	<p>JPOM 1 adopted the Internal Audit procedure updated on 01/03/2019.</p> <p>The objective of the Internal Audit procedure is to determine the strength, weakness and potential area for improvement.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>The procedure describes the internal audit is conducted minimum once a year and for management review after internal audit.</p> <p>The latest internal audit conducted on 07/05/2019 – 08/05/2019 with 5 findings raised.</p> <p>The audit result identifies both positive and weakness points and improvement plans.</p>	
4.1.2.2	<p>The internal audit is conducted by using checklist on 07/05/2019 – 08/05/2019.</p> <p>The internal audit has identified the weak point, root cause and corrective action plan.</p> <p>Example:</p> <p>Finding: Fire certificate is expired at JPOM1</p> <p>Root cause: Pending from mill management due to Bomba request information is not completed e.g. mill drawing plan.</p> <p>Corrective action plan: Mill Management to ensure fire certificate to be updated at yearly basis.</p> <p>Timeframe: August 2019.</p> <p>Finding Major NC</p> <p>Internal audit conducted on 07/05/2019 to 08/05/2019 has a finding on Fire certificate has expired on 03/04/2019.</p> <p>However, the date of completion states on August 2019 but action is not address accordingly. The fire certificate is not extend as at audit date.</p>	No
4.1.2.3	<p>Results of internal audit presented in management review meeting held on 15/08/2019.</p>	Yes
4.1.3.1	<p>The management review meeting held on 15/08/2019 includes discussion on internal audit.</p> <p>The management review meeting agenda:</p> <ul style="list-style-type: none"> • Follow up actions from earlier management review • Sustainability and adequacy of all SOPs, • Sustainable policy and result of internal audit • Changes in legal requirement of any compliance, • Complaint internal & external and accident injury (LTA) • Environmental quality, waste management, energy usage performance, • Status of corrective action, recommendation for improvement. <p>The frequency of management review is once per year after internal audit.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.4.1	<p>JPOM 1 established Continual Improvement Plan (CIP) dated 26/06/2019.</p> <p>The CIP covers topics on, pollution emissions, environment, social, water, health and safety, and waste reduction.</p> <p>Example: Pollution emissions</p> <p>Impact: Dark smoke emission (stake emission) contamination of air.</p> <p>Action: Implementation of continues emission monitoring system (CEMS) at palm oil mill, ensure smoke emission monitor by mill management at all times.</p> <p>Improvement plan: Implement CEMS</p> <p>Time Frame: Continues program</p> <p>PIC: Mill manager and mill assistant manager.</p>	Yes
4.1.4.2	<p>JPOM 1 did not establish a system to monitor the implementation of new information, techniques or technology.</p> <p>Finding Major NC</p> <p>The mechanism for improve practices of new technology, new information and techniques is not establish.</p>	No

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>JPOM 1 adopted HSPSB group List Of Publicly Available Documents updated on 01/03/2017.</p> <p>Documents are made available upon request other than those not confidential.</p> <p>The information request from stakeholders recorded in record book 'Rekod Pemohonan Maklumat'.</p> <p>Record review for latest request of information dated 26/09/2018 from Sabah Environment Department and approved by mill assistant manager on the same date.</p>	Yes
4.2.1.2	<p>JPOM 1 adopted the HSPSB group List Of Publicly Documents, publicly available document is available upon request:</p> <p>Example:</p> <ul style="list-style-type: none"> • Land titles • SIA • Environmental compliance report • Company policies <p>Example of confidential documents:</p> <ul style="list-style-type: none"> • Financial report 	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.2.1	<p>JPOM 1 adopted HSPSB group SOP “Melapor Aduan dan Permasalahan” updated 31/03/2018.</p> <p>The flow chart describes the flow of communication and complaint handling processes from stakeholders.</p> <p>The procedure states any communication or complaint must be resolved within 30 days.</p>	Yes
4.2.2.2	<p>The appointed person to handle consultation and communication is the Senior Mill Manager.</p>	Yes
4.2.2.3	<p>JPOM 1 established List Of Stakeholders that include government agencies, NGOs, local villages, contractors, neighbouring estates and suppliers.</p> <p>HSPSB group stakeholders meeting minutes sighted ‘dated 29/04/2019 for JGOE, SSGOE, TMGOE& KAWA estate.</p> <p>The stakeholders meeting minutes describes there is no request or issue arises from the stakeholders.</p>	Yes
4.2.3.1	<p>JPOM 1 adopted HSPSB group procedure for Traceability updated 15/05/2019.</p> <p>The procedure defines the action and responsibility of the person in charge is mill manager/ mill assistant manager in managing the traceability system.</p> <p>Example records within the traceability system are:</p> <ul style="list-style-type: none"> • FFB delivery notes • Weighbridge tickets • Delivery note when deliver out from mill • Purchase order from customer 	Yes
4.2.3.2	<p>JPOM 1 Senior Mill Manager monitors the traceability system on a monthly basis.</p> <p>The internal audit conducted on 07/08/2019 to 08/08/2019 include the traceability system. There are no findings found on the traceability system.</p>	Yes
4.2.3.3	<p>Organisation chart states the Senior Mill Manager is the person in charge for JPOM 1 traceability system.</p>	Yes
4.2.3.4	<p>JPOM 1 maintains records of storage, sales and delivery.</p> <p>Delivered palm products are traceable to contracts and crosscheck with delivery notes, weighbridge tickets issued against weighbridge tickets from buyers.</p> <p>Weighbridge ticket for PK and CPO dispatch is review. The ticket date, ticket no., vehicle no., contract no., product and weight are included in the ticket.</p> <p>All weighbridge tickets are kept in the office and well maintained. The record will be kept for minimum 5 years.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	JPOM 1 established licenses and permits list with expiry date: Example: <ul style="list-style-type: none"> MPOB license expired on 31/03/2020. Permit Wanita Bekerja Malam expire on 19/02/2020. Diesel permit expire on 15/07/2020. 	Yes
4.3.1.2	JPOM 1 adopted HSPSB group 'List of Legal Register' updated on 01/06/2019. The list includes a representation E = Estate, and Mill = Mills to indicates which legal requirements are applicable to mill. Example of Legal documents: Environmental Quality Act 1974 Fire Services Act 1988 Minimum Wages Order 2018	Yes
4.3.1.3	The procedure "Mechanism For Tracking Any Changes In Law" dated 25/06/2015. The procedure describes any changes in the laws through news release, internet and circulars from relevant associations such as MPOB will trigger update of the list. The list will be updated as and when new legislations are released. Implementation of the changed law is monitor by plantation advisor or sustainability department. JPOM 1 latest list of legal documents updated on 01/06/2019. Interview with Mill Manager and Assistant Manager indicates they are aware of applicable laws and regulations.	Yes
4.3.1.4	The Mill Manager and Mill assistant manager is assigned person in charge to update any changes as and when available for JPOM 1.	Yes
4.3.2.1	JPOM 1 land is located within Kapis estate. Thus, there is no diminish land used right of others.	Yes
4.3.2.2	JPOM 1 is located within Kapis estate land. Kapis estate and JPOM 1 have the same owner.	Yes
4.3.2.3	The land title include the map. JPOM 1 established the layout map of mill and located in Kapis estate.	Yes
4.3.2.4	JPOM 1 is located within Kapis estate. Document review no dispute of land found. Thus, no FPIC is required.	Yes
4.3.3.1	JPOM 1 is located within Kapis estate. JPOM1 and Kapis estate is owned by HSPSB group. Thus, no encroachment of land.	Yes
4.3.3.2	JPOM 1 layout map is review, the JPOM 1 is located within Kapis estate own by HSPSB group. The JPOM 1 area size is 6.20 ha.	Yes
4.3.3.3	JPOM 1 is located within Kapis estate, Therefore, no FPIC is required.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>JPOM 1 Social Impact Assessment (SIA) is included in Jeroco Group of Estates assessment dated 26/06/2019.</p> <p>The SIA survey include both with internal and external stakeholders.</p> <p>The SIA has a summary of positive and negative impacts and time bound plan to monitor for completion. The positive impacts are continuously promoted while negative impacts mitigated that include monitoring time frame.</p> <p>The SIA will be reviewed once a year with feedback from the stakeholders.</p>	Yes
4.4.2.1	<p>JPOM 1 adopted HSPHB group procedure 'Melapor Aduan dan Permasalahan (Pihak Berkepentingan Luaran dan dalaman), document no.ref: HSPSB P1 1120 dated 31/03/2018</p> <p>The procedure is available in English and Bahasa Malaysia languages version.</p> <p>The procedure describe time to resolve complaint within 30 days from the date received from external stakeholder and 2 days for internal stakeholder.</p> <p>For internal complaint assistant manager will be person in-charge.</p> <p>The procedure and complaint box are available at the mill office. Complaint form is established and is made available at mill office upon request from mill clerk.</p>	Yes
4.4.2.2	<p>JPOM 1 has established complaint form for complainant to fill up their grievances.</p> <p>Reviewed on internal and external grievances book record sighted no complaint was lodged in year 2019.</p>	Yes
4.4.2.3	<p>Complaint forms are made available at mill office.</p> <p>Internal and external stakeholder can obtain the form upon request from mill clerk.</p>	Yes
4.4.2.4	<p>Sighted record on briefing for External stakeholder - contractor: CPO Transporter dated 10/06/2019.</p> <p>Reviewed on Morning Master Briefing book for JPOM 1, SOP was briefed on 24/05/2019 morning muster to all mill workers and staff.</p> <p>During site interviewed with workers they are aware and understand the complaint procedure and process.</p>	Yes
4.4.2.5	<p>Internal and external grievances records are maintained for 24 months since Jan 2016.</p> <p>No complaints or grievances had been lodged as of audit date.</p>	Yes
4.4.3.1	<p>JPOM 1 has provide job opportunity to local community by recruiting local workers and store operate by local community.</p> <p>Sighted workers list indicate local communities are hired to work in mill.</p>	Yes
4.4.4.1	<p>JPOM 1 adopted HSPHB group Safety and Health policy dated 01/04/2015 signed by Chief Executive Plantation Group.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The policy statement is committed to ensure safe and healthy work environmental. The policy is display at the mill, labor quarters and operational areas notice boards.</p> <p>JPOM 1 has conducted briefing on Company Policy to all employee. The briefing included with Safety & Health Policy; MSPO Policy and Child Labour Policy with latest conducted on May 2019.</p>	
4.4.4.2	<p>a) JPOM 1 adopted HSPHB group Safety and Health policy dated 01/04/2015 signed by Chief Executive Plantation Group.</p> <p>b) JPOM 1 established HIRARC reviewed on 01/02/2019 for all mill activities.</p> <p>The HIRARC table contents are Work Activity, Hazards, Which can cause effect, Risk Analysis consists of existing risk control (if any), likelihood, severity, risk, recommended control measures, PIC and remarks.</p> <p>Example:</p> <p>Work Activity: Operating Boiler</p> <p>Hazards: Hot water and steam leaking</p> <p>Which can cause effect: Scalded</p> <p>Existing control: Safety helmet, safety boots, safety vest, safety awareness and first aid kit</p> <p>Likelihood: 1</p> <p>Severity: 3</p> <p>Risk: 3</p> <p>Recommended control measures: Yearly SOP training</p> <p>PIC: MM / MA; Due date: Dec 2019; Statue: Implemented</p> <p>Remarks: Nil</p> <p>c) i) JPOM 1 has conducted briefing for related to chemical handling on February 2019</p> <p>c) ii) Safety data sheets are available at the stores and operational areas. Chemical items in the chemical stores are arrange accordingly with safety labeling and warning signage.</p> <p>d) Types of personnel protective equipment (PPE) identify and recommend in CHRA report to use while handling chemicals.</p> <p>Existing control in HIRARC for chemical handler describe type of PPE such as safety shoes, hand glove, apron & respirator.</p> <p>e) JPOM 1 established Safe Standard Operating Procedure (SSOP) for 'Pengendalian Bahan Kimia' document reference number; SSOP/PBK/2012/001.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The SSOP describe on the use of Personnel Protective Equipment (PPE) and step of handling chemical at work area.</p>	
f)	<p>JPOM 1 appoints Senior Mill Manager as the site Safety & Health Committee chairperson.</p> <p>The committee consists of mill management and workers representatives.</p>	
g)	<p>OSH meeting conducted on quarterly basis with the latest on 07/08/2019.</p> <p>Minutes of Meeting with no incident or injury reported in four meetings, from December 2018 until August 2019.</p>	
h)	<p>ERP is displayed at office and operation areas notice boards.</p> <p>Employees are briefed on emergency response equipment and emergency plan.</p>	
i)	<p>Training on 'Pertolongan Cemas Asas & CPR' by Bulan Sabit Merah Malaysia (Malaysian Red Crescent) conducted on 18/05/2017. Seven (7) Personnel attended the course</p> <p>JPOM 1 established First aid kit at critical area such as:</p> <ul style="list-style-type: none"> • Engine Room • Store • Workshop • Vehicle Workshop • Boiler Station • Office • Laboratory <p>Sighted the monthly first aid kit inspection by Senior Mill Manager held on 19/09/2019.</p>	
j)	<p>JPOM1 establish monthly accident report to monitor the safety performance. No major accidents reported from January 2019 to September 2019.</p> <p>JPOM 1 submitted annual JKKP8 report to DOSH on 11/01/2019.</p>	
4.4.5.1	<p>JPOM 1 adopted HSPHB group Human Rights Policy dated 01/10/2016 signed by Chief Executive Group Plantations.</p> <p>The policy states 'respect and support the universal declaration of human right by the united nations for all workers, contractors, indigenous people, local communities and anyone affected by operations.</p> <p>The policy is displayed at the office notice board, housing area and centralize clinic notice board.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Sighted training record for human right policy dated 13/05/2019 attended by staff and workers.</p> <p>Interview with workers they are aware of the company policies. Workers confirmed the mill management respect human rights.</p>	
4.4.5.2	<p>JPOM 1 established the Equal Opportunity Policy signed by Chief Executive Group Plantations dated 22/03/2016.</p> <p>The policy states employer shall ensure equal opportunities in the work place. Hiring remuneration, access to training, promotion, termination or retirement will be implemented based on business needs, job requirement and individual qualifications regardless to race, colour, sex, political opinion, religion nationality, social origin or any other distinguishing characteristics.</p> <p>The policy is displayed at notice boards.</p> <p>Site interviewed with workers indicates that no discrimination practices in the mill. Further verify the record book there is no discrimination complaint lodged as audit date.</p>	Yes
4.4.5.3	<p>JPOM 1 established contract agreement for workers in accordance with Sabah Labour Ordinance and Minimum Wage Order 2018.</p> <p>Both local and foreign workers are provided with a contract agreement.</p> <p>Example working contract signed by both worker and mill management dated 14/01/2019 in accordance with minimum wage regulation 2018.</p>	Yes
4.4.5.4	<p>JPOM 1 monitors contractor workers' wage paid by contractor.</p> <p>Contractor workers' wages pay slip is review and according to minimum wage order 2018.</p>	Yes
4.4.5.5	<p>JPOM 1 established summary name list of workers for the month of September 2019 includes workers name, gender, DOB, date of entry, wage, period of employment and designation.</p>	Yes
4.4.5.6	<p>JPOM 1 established worker's contract for every employee hired duly signed by worker and mill management. The workers are briefed on the contract agreement terms and conditions, wage, benefits, job task and a copy provide to each worker.</p> <p>Workers' contract available in Bahasa Malaysia and understand by foreign workers.</p> <p>Onsite interview of workers confirmed they have a copy of contract and understand contents in the contract agreement.</p>	Yes
4.4.5.7	<p>Thumb print system is using to record attendance of workers.</p> <p>The working hours is displayed at the notice board.</p> <p>Example working hours</p> <p>Morning shift: 7:00am to 4:00pm including one hour rest time.</p> <p>Afternoon shift: 4:00pm to 12:00am including one hour rest time.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Interview with workers they understand the working hours.</p> <p>Sighted briefing record for minimum wage and overtime dated 30/05/2019 for all workers.</p> <p>Working overtime when required will be paid according to Sabah Labour Ordinance requirements of 1.5 times for normal day and 2 times for rest days or public holidays.</p> <p>On site interview with workers they are aware of overtime rate for normal days and rest days or public holiday.</p>	
4.4.5.8	<p>JPOM 1 working hours is displayed at the notice board.</p> <p>Office working hours: Working hours: 7:00am – 4.00 pm Rest hours: 12:00 pm -1:00 pm Shift: Morning shift: 7.00am – 4.00 pm Afternoon shift: 4.00 pm – 12.00 am Rest hour: 1 hour for each shift.</p> <p>The working hours are in line with requirement of Sabah Labour Ordinance of 8 hour of work including rest time.</p> <p>Any overtime incurred will be paid according to Sabah Labour Ordinance of 1.5 time for normal working days and 2 time for rest days.</p> <p>Overtime is voluntary. Interviews with workers they understood the mill working hours and confirmed they are paid according to legal requirement.</p>	Yes
4.4.5.9	<p>Wages paid are based on Minimum Wage Order 2018 of RM 1, 100 / month or RM42.31/day.</p> <p>The pay slip of workers are verified to cross-check on the wage paid according to the minimum wage order 2018.</p>	Yes
4.4.5.10	<p>JPOM 1 provide benefits to workers and staff such as medical, sport facilities, affordable food with a sundry shop, electric, water, housing, transport, and schools for foreign workers children and contributions for festive seasons.</p>	Yes
4.4.5.11	<p>JPOM 1 adopted industry best practices for living quarters. Site observation the living quarters has basic amenities such as water, electricity, sport and recreational area, surau, clinic, crèche.</p>	Yes
4.4.5.12	<p>Sexual Harassment, Violence And Abuse policy established and documented dated 20/11/2017 that verified by Chief Executive plantations.</p> <p>Sighted complaints records there are no complaints reported on harassment.</p> <p>Interviews with stakeholders and workers there are no sexual harassments occur..</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Site interview with workers they understand the process of reporting. Workers feedback there is no practice or related cases happened on sexual harassment or violence at workplace.	
4.4.5.13	JPOM 1 established Policy on Freedom Of Association and Rights To Collective Bargaining dated 22/03/2016 verified by Chief Executive Group Plantations. JPOM1 has conducted JCC meeting on 12/04/2019.. The frequency of the meeting is once a year. JCC meeting is held as communication with workers representatives. To discuss on workers issues.	Yes
4.4.5.14	JPOM 1 established Child Labour Policy dated 02/01/2017 verified by Chief Executive Group Plantations. Mechanism used to comply the minimum age of employment is based on passport and IC verification (date of birth) in the workers list. Sighted workers master list found no child or young person employed by the mill. All the workers are above 18 years prior joining the mill.	Yes
4.4.6.1	JPOM 1 established training programme for year 2019 as listed below: <ul style="list-style-type: none"> • SOP Training Plan 2019 • General Training Program FY2019 • Safety Training Program FY2019 • Hap Seng Policy briefing program FY2019 Training and briefing record are well maintained and consist of training attendance, photos and summary report of the training/briefing conducted.	Yes
4.4.6.2	JPOM 1 established training programme based on categories identify for work station or activity. Example : <ul style="list-style-type: none"> • Awareness briefing on RTE species conducted on 04/03/2019. • Training for boiler man conducted on 24/06/2019. • Training for water treatment plant operator on 01/02/2019. 	Yes
4.4.6.3	JPOM 1 established training programme is based on job description or job activity. Example: <ul style="list-style-type: none"> • Processing Department - Nut & Kernel Station • Biogas Plant - Belt Press Station 	Yes

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

Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>JPOM1 adopted HSPHB group Environment Policy dated 15/11/2018 signed by Chief Executive Group Plantations.</p> <p>The policy describes:</p> <ul style="list-style-type: none"> • Establish appropriate infra structures and responsibility for environmental affairs within our organizations and carry out appropriate and routine assessment and reporting procedures on such matters. • Complying with all relevant environmental legislation of the country. • Adopt and implement Good Agricultural and best management practices at all times currently established in the industry. <p>JPOM 1 established Environment Impact Assessment, Management Action Plans and Continuous Improvement Plans dated 25/05/2019.</p> <p>Interviewed workers are aware and understand company environmental policy.</p>	Yes
4.5.1.2	<p>a) JPOM 1 adopted HSPHB group Sustainable Agricultural Policy dated 21/02/2017 signed by Chief-Executive Group Plantations.</p> <p>The policy states the company committed to protect environment and conserve biodiversity for further generation.</p>	Yes
	<p>b) JPOM 1 established Environment Impact Assessment, Management Action Plans and Continuous Improvement Plans conducted on 25/05/2019</p> <p>The assessment include following:</p> <ul style="list-style-type: none"> • POME • EFB • Production of fiber/shell/boiler ash • Scheduled waste • Transport of CPO & PK • Smoke emissions from mill stack and vehicles. 	
4.5.1.3	<p>Environmental impact Assessment, Management Action Plan and Continuous Action Plan dated 01/03/2019 included list of activities, aspects, impacts towards environment, action plan and improvement plan.</p> <p>Example:</p> <p>Operation: Boiler</p> <p>Issue: Dark smoke emission</p> <p>Impacts: Hazardous to people</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Action Plans: Implementation of CEMS to monitor smoke emission continuously.</p> <p>Continuous Improvement Plan: CEMS has been implemented.</p> <p>Responsibility: Mill manager / mill assistant</p> <p>Timeframe: Established and continues monitored</p> <p>Remarks: Environmental Quality (Clean Air) Regulation 2014</p>	
4.5.1.4	<p>JPOM 1 established Environmental Impact Assessment, Management Action Plans and CIP include promote positive impact.</p> <p>Example:</p> <p>Activity: Stores (Chemical, fertilizer, transit)</p> <p>Environmental Aspect: Improper storage of chemicals, fertilisers and scheduled wastes may cause contamination to ground and waterways</p> <p>Environmental Impacts: Positive Impacts: Proper storage with concrete floor may prevent leaching of chemical into ground that minimize the pollution to waterways</p> <p>Action Plans: Plans and monitoring programme: To look into possibility constructing concrete drainage and floor at store</p> <p>Continuous Improvement Plan: Concrete floor constructed at JPOM store</p> <p>Responsibility: Admin Manager</p> <p>Timeframe: Established and continually improvement</p> <p>Remarks: Environmental Quality (Scheduled waste) Regulation 2005</p>	Yes
4.5.1.5	<p>Training program is established on 02/01/2019 include environment training and policy.</p> <p>Example training:</p> <ul style="list-style-type: none"> • SOP engine room and power plant conducted on 07/03/2018 • Fire Drill training conducted on 02/02/2018. 	Yes
4.5.1.6	<p>JPOM1 most recent environmental meeting conducted on 19/09/2019. According to records meeting will be held once every 3 months.</p> <p>The basis of the meeting was to discuss mill activities that would affect the environmental and action to mitigate it.</p> <p>Example:</p> <p>Dark smoke emission</p> <p>Negative impact: Contamination of air.</p> <p>Plan and monitoring: Implementations of CEMS to monitor smoke emission continuously.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services																		
Indicator	Summary of Assessment	Compliance																
4.5.2.1	JPOM 1 established 5 years fossil fuel baseline for genset and transport. The volume of usage for year 2018 is compared with the baseline and found lower for genset with the introduction of biogas plant.	Yes																
4.5.2.2	JPOM 1 established and monitored usage of diesel l/mt of FFB process	Yes																
4.5.2.3	JPOM 1 establish biogas plant to generate renewable electricity supplying to mill and estates to reduce usage of fossil fuel. JPOM 1 used fiber and shell for boiler operation to generate steam for its operation.	Yes																
4.5.3.1	<p>JPOM 1 established list of waste generated and management plan latest review on 25/05/2019.</p> <p>The table describe the type of wastes and sources as below;</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>Organic waste</td> <td>Housing, canteen</td> </tr> <tr> <td>Domestic waste</td> <td>Housing</td> </tr> <tr> <td>Digestive waste</td> <td>Office</td> </tr> <tr> <td>Maintenance oil</td> <td>Workshop</td> </tr> <tr> <td>Empty chemical container</td> <td>Chemical store</td> </tr> <tr> <td>Electrical waste</td> <td>House, office and mill workshop</td> </tr> <tr> <td>POME</td> <td>Mill</td> </tr> </tbody> </table>	Type of waste	Source	Organic waste	Housing, canteen	Domestic waste	Housing	Digestive waste	Office	Maintenance oil	Workshop	Empty chemical container	Chemical store	Electrical waste	House, office and mill workshop	POME	Mill	Yes
Type of waste	Source																	
Organic waste	Housing, canteen																	
Domestic waste	Housing																	
Digestive waste	Office																	
Maintenance oil	Workshop																	
Empty chemical container	Chemical store																	
Electrical waste	House, office and mill workshop																	
POME	Mill																	
4.5.3.2	<p>a) JPOM 1 has established list of wastes and management plan.</p> <p>Example 1: Type of waste: Used Oil Source of waste: Workshop Pollutions: Seeping of oil into the ground can affect the quality of ground water Monitoring plan: Proper scheduled wastes management are conducted and authorised contractor is appointed for collection. PIC: Mill assistant</p> <p>Example 2: Type of waste: Domestic wastes Source: Housing Pollutions: Waste generated can cause pollution to environment. Example, aerosol spray may affect the atmosphere.</p>	Yes																

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Monitoring plan: Disposal of domestic wastes at landfill area at weekly basis.</p> <p>PIC: Mill assistant</p>	
	<p>b) JPOM 1 use kernel shell and fibre as boiler fuel.</p> <p>EFB, boiler ash and decanter cake are sent to the nearby estate as part of recycling programme as organic fertilizer.</p>	
4.5.3.3	<p>JPOM 1 adopted SOP HSPHB/SSOP/25-19 Stor Bahan Kimia updated on 31/01/2019.</p> <p>The SOP describes storage, handlings and disposal of used chemicals containers.</p> <p>Example:</p> <p>Empty chemical containers from laboratory and water treatment plant.</p> <p>Action plan: Authorised contractor is appointed to collect scheduled wastes on regular basis. Storage of scheduled waste not more than 180 days and 20mt.</p> <p>Consignment note for scheduled wastes from authorised contractor dated 06/09/2019 for collection of SW305, SW 410, SW110, SW429, SW102, SW 409 scheduled wastes.</p>	Yes
4.5.3.4	<p>JPOM 1 domestic wastes are disposed at Kapis estate landfill.</p> <p>Sighted in the map the location of landfill is far from river / buffer zone area.</p>	Yes
4.5.4.1	<p>List of wastes generated and management plan has identified solid, liquid and gas wastes.</p> <p>Domestic waste – solid</p> <p>Used oil – liquid</p> <p>Vehicles – gas</p> <p>The plan has includes the environmental impact and its mitigation / action taken to reduce pollutions.</p> <p>The type of GHG is included in the type of wastes</p> <p>Example: POME – Methane (CH₄)</p>	Yes
4.5.4.2	<p>The plan has includes the environmental impact and its mitigation / action taken to reduce pollutions.</p> <p>Example: Generator set and vehicles</p> <p>Action plan: Regular inspection of generator set</p> <p>Action plan: Regular servicing the vehicles.</p> <p>Example: Noise pollution from machinery</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Action plan: Initial and positive noise monitoring report conducted by NIOSH</p> <p>Example: Smoke emission</p> <p>Action plan: Implementation of CEMS for monitoring of smoke emission and reporting to the DOE.</p> <p>ESP implementation is budgeted in 2020 for dust particulates control.</p>	
4.5.4.3	<p>JPOM 1 POME is treated using methane capturing system before final discharge for land application. The final discharge is in accordance to DOE discharge permit.</p> <p>Discharge results are review and meet DOE requirements.</p>	Yes
4.5.5.1	<p>a) JPOM1 water management plan is include in the JGOE group plan latest review on 25/05/2019.</p> <p>Water source for JPOM 1 is abstract from water catchment pond.</p> <p>Water usage is for the mill operation and domestic usage.</p>	Yes
	<p>b) JPOM 1 treated POME is discharged for land irrigation at Kapis estate and not to waterways. Therefore, no impact to the environment..</p>	
	<p>c) JPOM1 monitor water usage for mill operation and housing using flow meters.</p> <p>The water usage of the mill operation is monitored for litres per ton of FBB processed.</p> <p>Residential and utility buildings inspection includes piping and leakage.</p> <p>Rain harvesting is implemented at housing.</p>	
4.5.5.2	<p>JPOM 1 discharge treated POME for land irrigation at Kapis estate.</p> <p>Records of POME monitoring for final discharge from Jan to August 2019 is review.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>JPOM 1 established SOPs for mill operations.</p> <p>Example of SOPs for:</p> <ul style="list-style-type: none"> - Boiler station - Engine room - Press station <p>Date of prepared 27/09/2019</p> <p>Last review on 20/02/2019</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Training for Boiler house station, smoke emission and fibre, shell (boiler ash handling) conducted on 24/06/2019.	
4.6.1.2	JPOM 1 implemented following best practices: Stack measurement for dust particulates and smoke emissions using CEMS an online monitoring system in accordance to DOE requirements. Emissions report dated 24/05/2019 for monitoring period 20/10/2018 to 24/10/2018 reviewed. BOD for POME discharge in accordance to DOE discharge limits.	Yes
4.6.2.1	JPOM1 established budget for year 2019 and business plan for year 2019-2023. The budget includes crop projection 2019 and forecast for the next 4 years. Example: Crop process, CPO output, OER and KER. The projection for operation and capex business plan is from year 2019 - 2023. Example: Capital expenditure for year 2022: ESP for Boiler	Yes
4.6.3.1	Contract agreement for annual service of steam turbine dated 01/08/2019 duly signed by both parties.	Yes
4.6.3.2	Contract agreement for boiler water treatment dated 29/07/2019 is review. The contract agreement is signed by both parties. Contractor completion certificate dated 19/08/2019 is review. The payment is made to the contractor after completion of work.	Yes
4.6.4.1	JPOM 1 engaged transporter for transport of CPO. The established contract agreement is duly signed and accepted by both parties. The contract agreement include statement of contractor shall follow MSPO requirements. JPOM 1 conducted briefing to contractor on 10/06/2019 on company policies, safety and health, workers welfare, MSPO requirements and etc.	Yes
4.6.4.2	JPOM 1 engaged contractor for transportation service for transport of CPO. The agreement is duly signed by contractor and mil management.	Yes
4.6.4.3	JPOM 1 contract agreement for transportation service stated in appendix 1 'Relevant sustainability certification body has access to contractor or operation if an audit is deemed necessary'.	Yes

4.4. Status of Non-Conformities Previously Identified

	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have been implemented to address the
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	identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report.
X	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised.
	Not applicable. No non-conformity raised in previous audit.
<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 Identified During last Audit

AUDIT OUTCOME		
During last Audit	0	MAJOR Non-Conformities
	1	MINOR Non-Conformities

Non Conformity Number 1			
Indicator # and Description:	4.1.4.1 : The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.		
Location:	Jeroco Palm Oil Mill 1		
Description of Finding / Objective Evidence:			
JPOM 1 has establish Environmental Impact Assessment. The assessment include action plan and CIP to be conducted. However, some of the plans describe as “to continue implementation”. Thus, it is not clear the decision made as regards to the action taken and management plan involve in the process. The assessment plan should properly segregate identify mitigation and improvement plan.			
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
Raise by:	Mohammad Norhisham Bin Mohd Salleh	Date Raise:	03/10/2018
Deadline for implementation		Next Surveillance Audit	
Root Cause Analysis (by company):			
The CIP has been implemented however the action plan was not clear due to inadequate detail to address the activity in the environmental impact assessment management plan.			
Correction (by company):			
The CIP has been immediately amended to ensure the action plan is clear and adequate to address the activity in environmental impact assessment. (Attachment 2.1) Corrective / Preventive Action (by company) The CIP will be yearly reviewed by Sustainability Team to ensure the detail of action plan is adequate to address the activity in the management plan.			
Corrective / Preventive Action (by company)			

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Non Conformity Number 1	
The CIP will be yearly reviewed by Sustainability Team to ensure the detail of action plan is adequate to address the activity in the management plan.	
Review of Correction & Corrective / Preventive Action	
Revised List of Waste Generated and management Plan at mill (Appendix 2.1) submitted that include description of mitigation action taken by management. Review on implementation will be conduct in next surveillance audit.	
Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Lead Auditor: Mohammad Norhisham Bin Mohd Salleh	Date of Closure: Next surveillance Audit
Review of Implementation	
Review on the CIP Jeroco Palm Oil Mill 1 dated 25/05/2019. The Appendix 2 Environment impact assessment and CIP and Appendix 3 List of waste generated at mill the CIP has include the time frame on action taken.	
Name of Auditor: Sheron Pui Ling Wui	Date of Review: 23/09/2019

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,	2	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Non Conformity Number 1	
Indicator # and Description	4.1.2.2: The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.
Location:	Jeroco Palm Oil Mill 1
Description of Finding / Objective Evidence:	
Internal audit conducted on 07/05/2019 to 08/05/2019 has a finding on Fire certificate has expired on 03/04/2019. However, the date of completion states on August 2019 but action is not address accordingly. The fire certificate is not extend as at audit date.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui Date Raise: 28/09/2019
Deadline for implementation	27/11/2019
Root Cause Analysis (by company):	
Expiry of the fire certificate was not address to complete during the Internal Audit due to action was taken by Jeroco Palm Oil Mill 1 to renew the fire certificate and work in progress.	

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Non Conformity Number 1	
Correction (by company):	
The expiry of fire certificate was immediately included as finding the Internal Audit at through the work is in progress and monitor it until the finding is closed.	
(Attachment 1.1a)	
Corrective / Preventive Action (by company)	
Sustainability Executive will yearly cross-check accuracy of the Internal Audit findings done by Sustainability Team.	
Review of Correction & Corrective / Preventive Action	
Review the attachment 1.1a Internal audit report for JPOM1, the related finding for fire certificate as below: Correction column: Mill management in progress to get certified architect to complete the requested plan. Remarks column: The fire certificate is in progress and monitor until received (expected end 2019). Approval on the building layout (fire certificate request document) from management dated 01/10/2019 is reviewed. The NC consider closed, the implementation will be review on next surveillance audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Trainee Lead Auditor : Sheron Pui Ling Wui	Date of Closure: 05/11/2019
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 2	
Indicator # and Description	4.1.4.2: The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.
Location:	Jeroco Palm Oil Mill 1
Description of Finding / Objective Evidence:	
The mechanism for improve practices of new technology, new information and techniques is not establish.	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Raise by:	Sheron Pui Ling Wui
Date Raise:	28/09/2019
Deadline for implementation	27/11/2019
Root Cause Analysis (by company):	
Lack of understanding on the MSPO requirement to establish mechanism to improve practices of new technology, new information and techniques.	
Correction (by company):	

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Non Conformity Number 2	
The mechanism to improvement practices of new technology, new information and techniques was immediately establish. (Attachment 1.2a)	
Corrective / Preventive Action (by company)	
Mill Manager will monthly check and to ensure the established mechanism (To improve practices of new technology, new information and techniques) is implement accordingly.	
Review of Correction & Corrective / Preventive Action	
Review on the attachment 1.2a, Flow chart of “Action plan for new technology implementation” dated October 2019 to handling the new technology / techniques. The evidence is sufficient to close the finding. The implementation of the SOP will be review on next surveillance audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Trainee Lead Auditor: Sheron Pui Ling Wui	Date of Closure: 05/11/2019
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Nr.	Indicator	Location	Opportunity for Improvement
1	4.4.1.1	Mill Office	Management may improve the SIA assessment on method of interview and survey questionnaires.
2	4.4.4.2 (b)	Mill press station	Management could consider to improve on the HIRARC at the press station area.
3	4.6.1.2	Mill press station	Management could improve on hot work safety precaution readiness when performing gas welding at workplace. Management may consider to improve on PPE in handling fiber at boiler station.

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5. CONCLUSION

Jeroco Plantation Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct annual surveillance audit 02 for JPOM1 mill according to MSPO 2530-4:2013 Part 4 General principles for palm oil mills.

There are 2 Major NCs raised in this audit and closed out successfully. There is 0 Minor NC raise in this audit.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided 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 standard of MS 2530-4:2013. Part 4.

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

Certified CPO January to August 2019:	38,855.22	Mt
Certified PK January to August 2019:	8,655.28	Mt
Projection of CPO September to December 2019:	5,376.78	Mt
Projection of PK September to December 2019:	1,083.72	Mt
Projection of CPO 2020:	47,129.00	Mt
Projection of PK 2020:	10,397.00	Mt

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6. RECOMMENDATION

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

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

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

Therefore the audit team recommends that, based on the results of this audit and the system's 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, 16/12/2019

Sheron Pui Ling Wui
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader

Puchong, 16/12/2019

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

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7. LIST OF INTERVIEWEES

Table 7-1: List of Interviewed Persons and Stakeholders

No.	Name	Organisation	Organisation / Function
1	Handry Pukin	Jabatan Perhutanan Lahad Datu	Officer

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

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

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

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

Salvo clause:

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

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

Annex / Enclosures

Annex /
corresponding audit documentation

- P&C Audit Report / Checklist(s)
- Audit Plan
- Additional annexes, number