



# MSPO CERTIFICATION SUMMARY REPORT

## SILIMPOPON PALM OIL MILL

STAGE 2 – CERTIFICATION AUDIT

Date: 14/01/2019

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Company Name: Kretam Holdings Bhd.  
Certifying Unit: Silimpompon Palm Oil Mill  
Client Number: 92-047  
Audit Type: Stage 2



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## Abbreviations

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<b>CHRA</b>	Chemical Health Risk Assessment
<b>CoC</b>	Chain of Custody
<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>ERT</b>	Endangered Rare and Threatened species
<b>EU</b>	European Union
<b>FFB</b>	Fresh Fruit Bunch
<b>GGL</b>	Green Gold Label
<b>GMP</b>	Good Manufacturing Practice
<b>GPS</b>	Global Positioning System
<b>HACCP</b>	Hazard Analysis and Critical Control Point
<b>MSDS</b>	Material Safety Data Sheet
<b>NC</b>	Non Conformity
<b>OSH</b>	Occupational Safety and Health
<b>OSHAS</b>	Occupational Safety and Health Assessment Scheme
<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 on Sustainable Palm Oil
<b>SA8000</b>	Social Accountability 8000
<b>SIA</b>	Social Impact Assessment
<b>SOP</b>	Standard Operating Procedure
<b>MT</b>	Metric Tonnes
<b>WHO</b>	World Health Organization

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## 1. INTRODUCTION

Kretam Holdings Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct stage 2 certification audit for its Silimpompon Palm Oil Mill 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 Silimpompon 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 establish by Silimpompon Palm Oil Mill.

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

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

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

1. Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mill audit guidance;

### 1.3. Appointment and Qualification of team members

A certification team consisting of one team leader and 2 team members are appointed. The team members contribute to the review of documents, assessment of the project activity and preparation of this report under the leadership of the team leader.

#### Qualification of the Lead Auditor: Mohamad Norhisham Bin Mohd Salleh

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	Graduate in Applied Science (Major In Agrobiology).

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Requirement	Qualifications
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)	5 years working experience in palm oil estates.
Attended the MS 2530 series of standards training	Successfully completed MS2530 series of standards training.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualify as lead auditor base on audit log
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	5 years working experience in palm oil estates.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	5 years working experience in palm oil estates.
Health and safety auditing on the farm and in processing facilities, for example ISO45001 or Occupational, Health & Safety Assurance System	Auditor for RSPO and MSPO scheme. 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 SA 8000 Basic training and auditor for RSPO and MSPO schemes
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 LA course and auditor for RSPO and MSPO scheme.
Good Milling Practices for example palm oil milling working experience or demonstrate equivalent.	Auditor for RSPO SCC and ISCC in refinery and mill.

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### 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 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	Zul Hairi Bin Abu Hassan	Graduate in Plantation Industry Management	Yes
	Sheron Pui Ling Wui	Graduate in Medical Science (life science)	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan (Trainee auditor)	Graduate in Plantation Industry Management.	Yes
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 plantation management.	Yes
	Khairul Anuar Bin Azizul Hasan (Trainee auditor)	7 years working experience in plantation management	Yes
Attended the MS 2530 series of standards training	Zul Hairi Bin Abu Hassan	Successfully completed MSPO Lead auditor training course.	Yes
	Sheron Pui Ling Wui	Successfully completed MSPO Lead auditor training course.	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan (Trainee auditor)	Successfully completed MSPO Lead auditor training course.	Yes

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Requirement	Assessor	Qualification	Compliance
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 base on audit log.	Yes
	Sheron Pui Ling Wui	Qualified as auditor base on audit log.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Zul Hairi Bin Abu Hassan	Able to communicate in Bahasa Malaysia and English.	Yes
	Sheron Pui Ling Wui	Able to communicate in Bahasa Malaysia, and English.	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan (Trainee auditor)	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 plantation management.	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan (Trainee auditor)	7 years working experience in plantation management.	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 ISO 45001:2018	Yes
	Sheron Pui Ling Wui	Successfully completed ISO 45001:2018 and Working experience as auditor for ISO 14001 and ISO 9001	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan (Trainee auditor)	Successfully completed IMS ISO 9001, ISO 14001 & ISO 45001	Yes

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Requirement	Assessor	Qualification	Compliance
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Zul Hairi Bin Abu Hassan Ling Wui	Successfully completed SA8000 Basic Training.	Yes
	Sheron Pui Ling Wui	Successfully completed SA8000 Basic Training.	Yes
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 EMS ISO 14001:2015 Lead Auditor training.	Yes
	Sheron Pui Ling Wui	Successfully completed EMS ISO 14001:2015 Lead Auditor training.	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan (Trainee auditor)	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 Lead Auditor training	Yes
Good Milling Practices for example palm oil milling working experience or demonstrate equivalent.	Zul Hairi Bin Abu Hassan	Successfully completed RSPO SCC Lead Auditor 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 Certification audit was conducted in two stages in accordance to the certification procedure.

### Stage 1:

Stage 1 was conducted on 08/06/2018 covers the following activities but not limited to below:

- Onsite inspection, observations and inspections of mill facilities such as process, workshops, stores, wastewater treatment system, waste handling and disposal sites, workers and staff living quarters, receiving and delivery of products for compliance to relevant Principles & Criteria of the applied standard;
- Interview operation personnel for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during stage 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 estates was conducted according to the MS 2530-4: 2013 Part 4: General principles for palm oil mills.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were 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 and Minor as well as Observations (OBS) may be raised during the audit.

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

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## 3. ORGANISATION INFORMATION

Silimpompon Palm Oil Mill is the subsidiary of Kretam Holdings Bhd located at KM 128, Tawau Kalabakan Highway, Mukim Sg. Silimpompon, 91000 Tawau. Sabah.

Silimpompon Palm Oil Mill is located in Silimpompon 1 Estate and meet the Malaysia Palm Oil Board licensing requirement. The mill began operation in 01/10/2012 with an operating capacity of 45 MT per hour.

### 3.1. Production volume

Volume for the past year October 2016 to September 2017			Actual volumes October 2017 to September 2018			Projected volume October 2018 to September 2019		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
186,583.90	38,896.265	13,986.23	218,137.50	44,599.864	12,600.47	225,490	49,880	10,212

### 3.2. Maps of Company and Mill Location

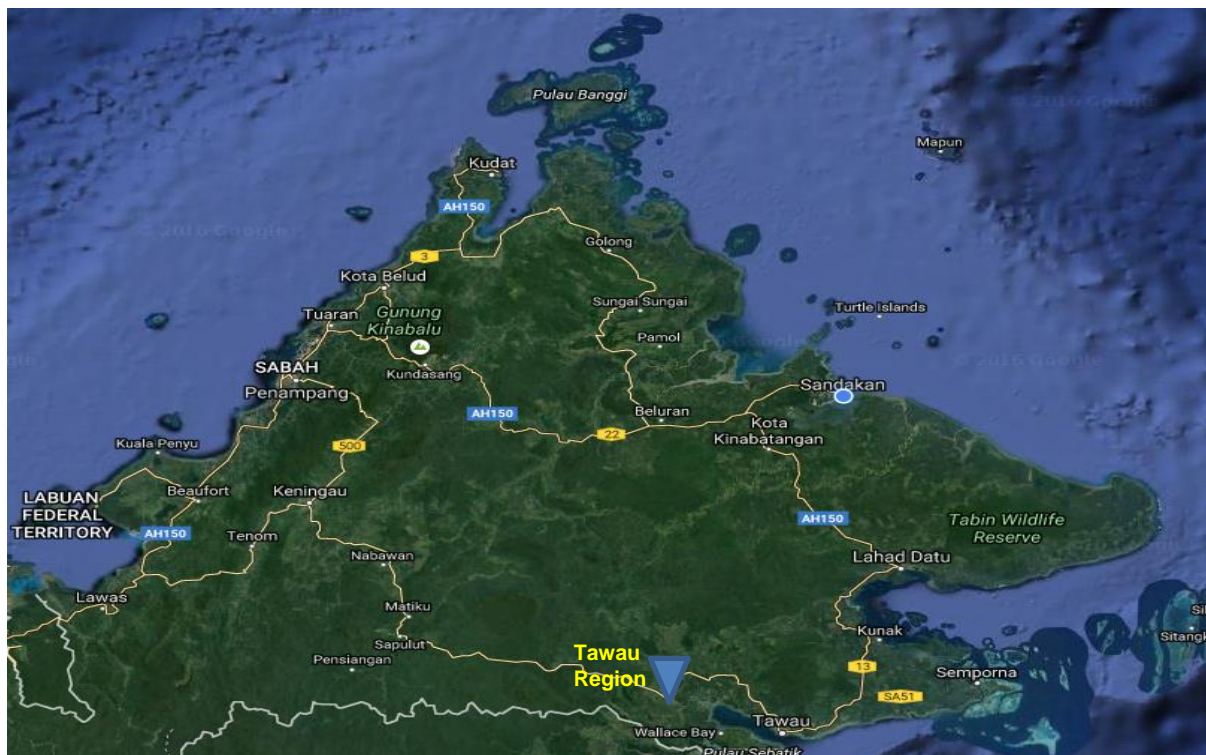


Figure 1: Location of Silimpompon Palm Oil Mill, Tawau Region.

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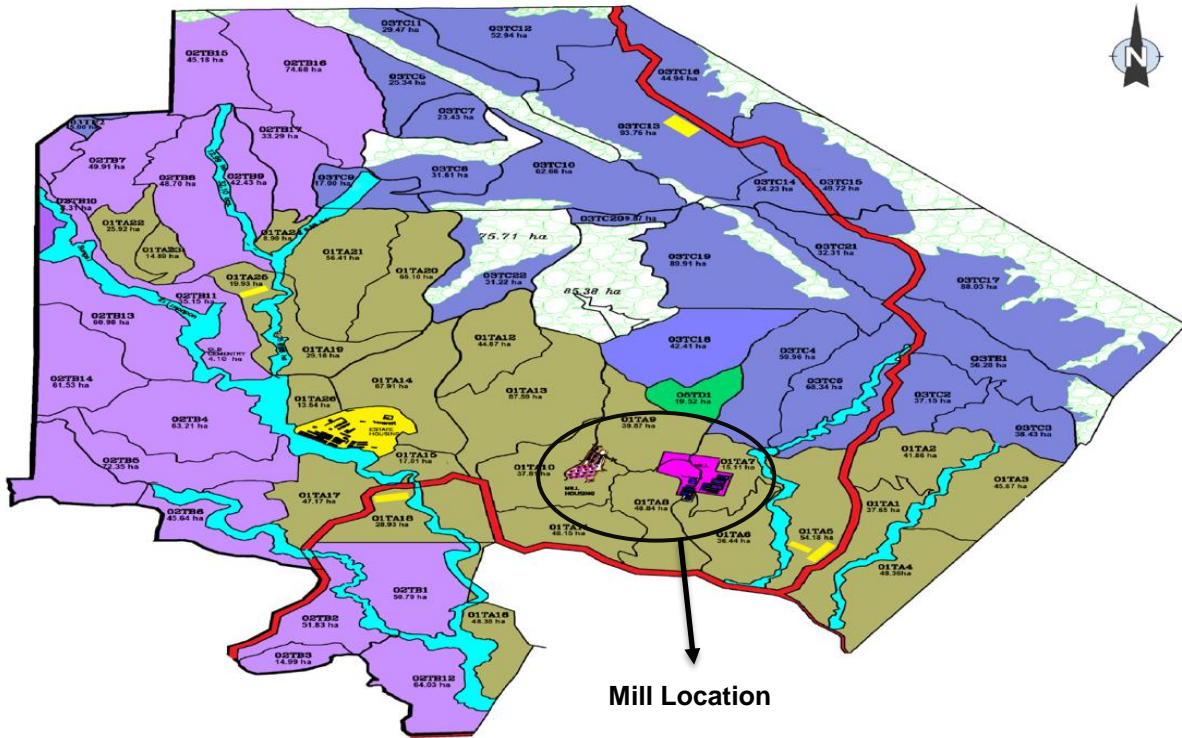


Figure 2: Location of Silimpompon Palm Oil Mill in Silimpompon 1 Estate.

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## 4. CERTIFICATION ASSESSMENT

### 4.1. Certification Audit

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

The details assessment of the Principles & Criteria refer to summary of assessment in this report.

#### 4.1.1. Stage 1

The Stage 1 audit was conducted on 08/06/2018 at Silimpompon Palm Oil Mill.

The objective of the stage 1 is to assess the readiness of the documentation established and implemented in accordance to MS 2530-4: 2013 Part 4: General principles for palm oil mills.

According to the Certification Scheme, an initial due-diligence audit for operators who is entering into the MSPO certification and which

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

These operators shall undergo both Stage I and II audit.

Therefore, in this aspect, Silimpompon Oil Mill is not exempted from Stage I audit.

#### 4.1.2. Stage II Audit:

The Stage II audit was conducted on 17/10/2018 to 18/10/2018 covering Silimpompon Palm Oil Mill.

During the Stage II audit 2 findings and 1 Observation are raised. The Major non-conformance raised is closed out by means reviewing and verifying documents that are established, corrected and implemented appropriately.

The Minor NC action plan is submitted and accepted by lead auditor. The implementation will be review during the surveillance audit. No action plan requires for Observation that will be review during the next audit.

### 4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd, has publish the public notification on 12/09/2018 to obtain feedback and comments. As at audit date on 17/10/2018 to 18/10/2018 there were no comments received.

In addition, invitation letters were sent on 12/09/2018 to invite relevant stakeholders to attend a local stakeholder consultation on 15/10/2018 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

1. Introduction of Silimpompon Palm Oil Mill applying for MSPO certification.
2. Development of oil palm plantations by Silimpompon Palm Oil Mill.
3. Community service and support provided by Silimpompon Palm Oil Mill.



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4. Wildlife management and wildlife corridor established by Silimpompon Palm Oil Mill.
5. Type of wildlife sighted at Silimpompon Palm Oil Mill plantations and wildlife corridor.
6. Local communities' development.

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

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:  
 The stakeholders could confirm they have attended meetings with SSB personnel on MSPO certification.
2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint  
 The stakeholders' advice they have been informed a logbook and form is available to lodge any complaints or suggestions is available at the office.
3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.  
 The stakeholders could confirm the company has provided assistance and support to communities.
4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information  
 The stakeholder who provides maintenance and service could confirm briefing on MSPO requirements have been provided.

TUV NORD (Malaysia) Sdn. Bhd has publish the public notification on 12/09/2018 as to accommodate stakeholder's consultation meeting for Silimpompon Palm Oil Mill.

There no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be address 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 regard to the MSPO audit?	Stakeholders confirmed that they are aware on MSPO audit through invitation letter and public announcement made by the company.	Positive comments towards the Silimpompon Palm Oil Mill management.
2	Social issues	Stakeholders informed there are no social issues as regards to the Silimpompon Palm Oil Mill.	Positive comments towards the Silimpompon Palm Oil Mill management.
3	Understanding of "NCR Land"?	Silimpompon Palm Oil Mill was located within Silimpompon estates areas which was state	Positive comments towards the Silimpompon Palm Oil Mill management.

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
		lease land. Therefore no NCR land for the mill.	
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	.Stakeholders informed that there are positive impacts they gained such as hiring local community as mill workers and providing space fo local community to do business. Example: mill canteen.	Positive comments towards the Silimpompon Palm Oil Mill management.
5	Does MSPO will largely benefits the local community?	Stakeholders confirmed they understand and aware that MSPO certification will contribute to proper mill management and local community.	Positive comments towards the Silimpompon Palm Oil Mill management.
6	Environmental understanding	Stakeholders attended the meeting are aware oof environmental issues obtained from stakeholders meeting conducted by mill.	Positive comments towards the Silimpompon Palm Oil Mill management.
7	Awareness towards species, habitats, and high conservation values?	Stakeholders attended the meeting are aware of HCV and HBV obtain from stakeholders meeting conducted by the mill. They are signage installed at mill compound.	Positive comments towards the Silimpompon Palm Oil Mill management.
8	Support to smallholders	Stakeholders attend the meeting confirmed that there are awareness training conduct for MSPO. Smallholders participated in the stakeholders meeting.	Positive comments towards the Silimpompon Palm Oil Mill management.
9	FFB quality	There are no issues as regards to FFB quality since smallholders are aware of requirement to harvest only ripe bunches.	Positive comments towards the Silimpompon Palm Oil Mill management.
10	Are there any plantation or mill management practices that affect you?	Stakeholders confirmed there are no mill activities that may affect their livelihood. They are aware on mill processes and have access to management to raise any issues.	Positive comments towards the Silimpompon Palm Oil Mill management.
11	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders attend the meeting confirmed there is no conflict arise by the Silimpompon Palm Oil	Positive comments towards the Silimpompon Palm Oil Mill management.

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
		Mill management on MSPO certification.	

### 4.3. Summary of Findings

#### MSPO Principle and sample of the Criteria Assessment Summary

The assessment team conducted a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits all criterions will be assessed. Evidences were sought for conformity with the MSPO 2530-2. 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 that were, and when non conformity was found, a summary of the non-conformity can be found below

Principle 1: Management Commitment & responsibility		
Criterion By Audit	Summary of Assessment	Compliance
4.1.1	<p>Silimpopon Mill adopted the group Sustainability Policy dated 02/01/2018. The policy states:</p> <ul style="list-style-type: none"> <li>Promote innovation of product and implement GAP and GMP for business sustainability.</li> </ul> <p>The policy is displayed at notice board on operation sites and interview with workers indicates they are aware of the policy.</p> <p>Policy training conducted on 07/09/2018.</p> <p>Sighted SOP for Improvement and new information dated 01/06/2018 document number SPOM-QSP-11/SOP-04.</p> <p>Item 5.3 Propose for improvement</p> <p>Include the identification of improvement, implementation and execute the planning with approval from mill manager and review constantly.</p>	Yes
4.1.2	<p>Silimpopom Mill adopted the group internal audit procedure KHB/G/SOP-49 dated 09/02/2018.</p> <p>The procedure describers:</p> <ol style="list-style-type: none"> <li>Internal audit to be conducted quarterly.</li> <li>Internal audit shall take into consideration of important process and trends the results.</li> </ol> <p>Sighted latest internal audit report dated 03/07/2018.</p> <p>There are 7 findings raised during the internal audit and all findings closed ou on 20/09/2018.</p>	Yes
4.1.3	<p>Silimpopon Mill has conducted Management review meeting dated 09/06/2018 lead thel Mill Manager.</p> <p>The management review discuss on result of internal audit and action for continual improvement.</p>	Yes



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Principle 1: Management Commitment & responsibility		
Criterion By Audit	Summary of Assessment	Compliance
4.1.4	<p>Silimpompon Mill has establish Continual Improvement Plan (CIP) revision dated 01/10/2018.</p> <p>The CIP capture followings such as:</p> <ol style="list-style-type: none"> <li>1. Environment</li> <li>2. Waste reduction</li> <li>3. Pollution and emission reduction</li> <li>4. Social impact</li> </ol> <p>Continuous Improvement Plan 2018 include new technology for operational sites.</p> <p>Example use of latest technique to mount bearing to the machineries which can reduce the downtime. Training is conducted on 26/06/2018 by consultant as part of awareness program for the new system.</p>	Yes

Principle 2: Transparency		
Criterion By Audit	Summary of Assessment	Compliance
4.2.1	<p>Silimpompon Mill adopted KHB group SOP KHB/G/SOP-35 "Stakeholder Engagement / Negotiation" dated 05/05/2017.</p> <p>The procedure idescriber following:</p> <ol style="list-style-type: none"> <li>1. Identification of stakeholder</li> <li>2. Request and respond</li> <li>3. Consultation and meeting</li> <li>4. Complaint and grievance</li> </ol> <p>The procedure states that for request and respond, and complaint and grievance record will be recorded which include action taken, timeframe, and date.</p> <p>KHB group SOP KHB-HR-P07 Information Procedure dated 01/06/2015 define non-confidential and confidential information. Procedure include steps to request of information and form to be used for information requisition.</p> <p>The mill has established List of Documents and Transparency Status dated 10/10/2018 that are publicly available.</p> <p>The list include several documents</p> <p>Example:</p> <ul style="list-style-type: none"> <li>- Crop projection.</li> <li>- Water management plan.</li> </ul>	Yes
4.2.2	<p>Silimpompon mill adopted KHB group SOP Stakeholder Engagement / Negotiation dated 05/05/2017.</p>	Yes

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Principle 2: Transparency		
Criterion By Audit	Summary of Assessment	Compliance
	<p>The above procedure describe the process such as to hold periodic consultation with stakeholder on issue related to estate or mill operation, health and safety, certification activities or briefing, and road accessibilities.</p> <p>The procedure includes the list of stakeholders that will be updated by mill manager who is in charge of implementing the procedure. The list will be updated twice a year.</p> <p>List of stakeholders dated: 29/08/2018 is reviewed.</p> <p>The list includes various government agencies, schools, suppliers, contractors, transporters, NGOs, smallholders and FFB suppliers.</p> <p>Sighted stakeholders meeting conducted on 03/07/2018. Matters discussed include company policies, HR procedure, complaint and consultation procedure and activities of the mill.</p> <p>The stakeholders' minutes is part of a feedback system for stakeholders.</p> <p>For example:</p> <p>Klinik Kesihatan Kalabakan feedback pregnant women and children under 5 years old should go clinic for monthly prematernity checkup.</p> <p>Management responded will provided VMO service once a month in the mill.</p>	
4.2.3	<p>Silimpompon Mill commits to implement and maintain the the traceability system.</p> <p>Silimpompon adopted KHB group SOP Identification and Traceability Doc no: SCCS-007 Rev No: 1, Effective date 01/10/2018.</p> <p>The SOP describe the receiving process of FFB from estate to dispatch of CPO.</p> <p>Internal audit conducted on 03/07/2018 includes traceability system and regularly inspected.</p> <p>The mill manager is the traceability responsibility person.</p> <p>Training on traceability is conducted on 16/05/2018 which involved staff and workers who operae the traceability system and recording.</p> <p>Sighted daily production record for CPO dated 01/10/2018. Mill has established CPO dispatch records to buyers. The weighbridge ticket from outgoing CPO was cross check against dispatch records and daily production report.</p>	Yes

Principle 3: Compliance to legal requirements		
Criterion By Audit	Summary of Assessment	Compliance
4.3.1	<p>Silimpompon Mill has established list of legal documents and validity dates which serves as monitoring and renewal of licenses..</p> <p>Example of license updated:</p>	Yes

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<b>Principle 3: Compliance to legal requirements</b>		
Criterion By Audit	Summary of Assessment	Compliance
	<ol style="list-style-type: none"> <li>1. MPOB license for Menjual dan Mengalih FFB, PK, CPO, SPO, valid from 01/12/2017 until 30/11/2018. Application for license renewal has been sent to MPOB.</li> <li>2. KPDNKK Skid Tank License valid form 23/11/2017 until 22/11/2018.</li> <li>3. Jabatan Alam Sekitar License for menduduki dan menggunakan permis yang ditetapkan valid from 01/07/2018 until 30/06/2019.</li> </ol> <p>Silimpompon mill adopted KHB group SOP Mechanism for implementation of legal requirements and system for tracking changes Doc number KHB/G/SOP-36 revision dated 09/02/2018 that states</p> <ol style="list-style-type: none"> <li>1. Compile a list of legal documents</li> <li>2. A mechanism to track changes</li> </ol> <p>Legal register is updated that includes all tappable national and state Laws and Regulations.</p>	
4.3.2	<p>Silimpompon I Mill is located inside Silimpompon 1 Estate</p> <p>The land title and map was review to confirm the mill location.</p> <p>Therefore, there are no issues arise on land use rights.</p>	Yes
4.3.3		Yes

<b>Principle 4: Social Responsibility, health, safety and employment conditions</b>		
Criterion By Audit	Summary of Assessment	Compliance
4.4.1	<p>SIA was conducted on December 2017 review on July 2018 and next review Jan 2019</p> <p>The SIA include information from survey conducted for both internal and external stakeholders.</p> <p>List of stakeholders invited for SIA conducted on 03/07/2018 sighted and review. Attendance includes neighboring estates, smallholders, schools, workers representatives etc.</p> <p>The SIA includes both positive and negative impacts with a timeframe and status when the impact be resolve.</p> <p>Examples of positive impact:</p> <p>Mill provide night shift workers with free meal. This afford by mill management will continue.</p> <p>Example of negative impact:</p> <p>Impact: Quality of PPE.</p> <p>Plan: Control to ensure having quality PPE</p> <p>Timeline: Feb 2018</p>	Yes

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Company Name: Kretam Holdings Bhd.

Certifying Unit: Silimpompon Palm Oil Mill

Client Number: 92-047

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Principle 4: Social Responsibility, health, safety and employment conditions		
Criterion By Audit	Summary of Assessment	Compliance
	Status: Done	
4.4.2	<p>Silimpopon mill adopted KHB group SOP complaints and grievances dated 01/08/2018.</p> <p>The procedure is available in both English and Bahasa Malaysia languages. The procedure states complaint will be lodge by using the complaint form.</p> <p>A flow chart is included in the SOP that describes the compliant process. The HR manager or Manager on site (grievance officer) to ensure any complaints received to be resolved within 30 working days.</p> <p>A complaint and grievance form effective date 01/06/2017 is available outside the mill office.</p> <p>Onsite interviews there are no complaints lodge by external and internal stakeholder fas of audit date except housing repairs.</p> <p>Request and maintenance from for housing maintenance issue is establish.</p> <p>There are no complaints and grievance received except for housing repair requisition.</p>	Yes
4.4.3	<p>Silimpopon Mill provide development for local community by:</p> <ol style="list-style-type: none"> <li>Hiring local people as mill workers and staff.</li> <li>Provide space for local community to do business. Example; mill canteen.</li> </ol>	Yes
4.4.4	<p>Silimpopon mill adopted KHB group Health and safety policy dated 02/01/2018 signed by Chief Executive Officer.</p> <p>Audiometric testing for mill workers conducted on 02/07/2018</p> <p>HIRARC h establishe include assessment of probability on safety and health risk for all activities within the mill for 32 stations.</p> <p>Example of HIRARC assessment loading ramp.</p> <p>Activity: Work on FFB conveyor / pull out FFB within the door of loading ramp.</p> <p>Hazard: Fall from FFB conveyor</p> <p>Potential harm: light injured</p> <p>Boundary Noise Monitoring Report for December 2017 has been established in line with DOSH requirements.</p> <p>Silimpopon Mill adopted KHB group SOP of Chemical Handling, Doc No SPOM-QSP-07, Rev No 1 and effective date 15/06/2018.</p> <p>Mill Manager is the appointed Safety &amp; Health Committee Chairman f</p> <p>OSHA meeting is conducted quarterly in accordance to DOSH requirements. The latest sighted meeting minutes date 04/04/2018 and previous held on 08/03/2018.</p> <p>Topics discussed in meeting includes presentation of any accidents cases and management action to prevent reoccurrence of accidents.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Criterion By Audit	Summary of Assessment	Compliance
	<p>First aid kits are available at worksites. Example engine room.</p> <p>Records of first aid kits distribution available and well maintained.</p> <p>Example record of distribution is updated as at 09/10/2018 by estate hospital assistant.</p> <p>Sighted JKKP 8 form Doc No: JKKP 8/11872/2017. The document is sent to DOSH on 23/01/2018.</p>	
4.4.5	<p>Silimpompon Mill adopted KHB group Code of Conduct &amp; Human Rights Policy dated 03/01/2017.</p> <p>The policy is displayed at the office housing area, workshop and centralize clinic notice boards.</p> <p>Briefing to stakeholders both internal and external on company policies conducted on 03/07/2018.</p> <p>Sighted training records for company policy, human right and code of ethical.</p> <p>Onsite interviewed with workers their keep own passport. Should they wish to to have the mill for safe keeping, it is their own free will. There is no restriction to get back the passport at any time.</p> <p>Sighted SOP Passport Safekeeping Procedure KHB-HR-PO3, effective date 01/09/2018.</p> <p>The policy includes the equal opportunity and treatment in respect to employment hiring process.</p> <p>SOP KHB-HR-PO2 Recruitment and Selection Procedure, rev no: 3, effective date: 01/12/2018 is established.</p> <p>The procedure stated employment is based on skill and medical fitness.</p> <p>Sighted the increment for both foreign and local workers.Increment were given based on year of service with the mill. Sighted the 'New Salary Scale for daily rate workers' effective 01/07/2016.</p> <p>Workers payslip has been cross check with daily job record and contract agreement. Wages paid was comply with Minimum Wage Order 2016.</p> <p>Mill has ensure the contractor pay their employees above the minimum wage. Sighted pay slip of FFB transportation contractor the driver is paid above minimum wage.</p> <p>Mill hired permanent workers and this is evidence through the workers list which include name, basic rate, and date of joined, date of birth.</p> <p>Mill has established thumb print system to record workers attendance. Sighted Time and Attendance Report which state number of working hours and overtime for each worker.</p> <p>Workers had received benefit such as free medical service by centralize clinic and workman insurance compensation for injuries.</p> <p>Sighted the insurance, example:                      Policy number S18172437SDK, dated 01/04/2018-31/03/2019.</p>	Major NC 1

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Principle 4: Social Responsibility, health, safety and employment conditions		
Criterion By Audit	Summary of Assessment	Compliance
	<p>Other benefits given to workers was program for mill worker such as Labour day celebration dated 01/05/2018 and Thanks Giving fest (kenduri) dated 03/08/2018.</p> <p>Mill has adopt KHB Tawau region Social Policy dated 01/09/2018. The policy stated on company commitment not to hire any child or young person.</p> <p>Observation at operation and interview of workers indicates there are no children or young workers hired.</p> <p><b>Non-conformity:</b></p> <p>During inspection on housing compound, it was found that there are mosquito larvae on a drain located nearby housing compound. There was possibility of health risk related to mosquito related diseases for residence staying at the housing compound.</p>	
4.4.6	<p>Silimpompon Mill has established Annual Safety &amp; Health Training Plan for 2018 dated 16/01/2018.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Training on Fire Drill / Fire extinguisher conducted on 22/09/2018.</li> <li>2. SOP training programme for Chemical handling conducted on 28/08/2018 for plant operator.</li> </ol> <p>Training needs analysis for workers documented dated 01/10/2018 and verified by Mill Manager.</p> <p>Regarding the employee competency record KHB-HR-P01/R04, it shows that competency level are as per required (3 – average: able to carry out duties and meet some of the standards).</p> <p>Mill has established annual safety &amp; health training programme for 2018 and training conducted is continuously monitored.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Criterion By Audit	Summary of Assessment	Compliance
4.5.1	<p>Silimpompon Mill has established environmental management plan 2018 dated 29/01/2018 that Include the law compliance to laws and legislations example:</p> <ul style="list-style-type: none"> <li>• Licensed control as prescribed premises section 18</li> </ul> <p>Environmental policy dated 02/01/2018 signed by CEO.</p> <p>Environmental policy training conducted on 14/04/2018 and 12/06/2018 for all workers and staff.</p> <p>EMP for aspect impact analysis of 11 operation locations established.</p> <p>Example: Receiving and filling of FFB</p>	Yes

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

Criterion By Audit	Summary of Assessment				Compliance								
	Activity	Environmental Aspects	Environmental impacts	Responsibility									
	FFB reception	Potential of loose fruit spillage	Decrease efficiency of mill and potential of methane generation.	FFB grader									
	Example: Harvest of fruitlets from SFB												
	Activity	Environmental Aspect	Environmental Impact	Responsibility									
	Threshing	Potential of sterilize fruit spillage	Decrease efficiency of mill and possible contamination of land and water.	Process operator.									
	<p>Program to promote positive impact included in CIP for environmental.</p> <p>Example improvement plan: Boiler fuel fibre feeding system</p> <p>Expected outcome: Reduce usage of shovel to feed the fibre into boiler due to automatic system for fibre feeding to boiler.</p> <p>Annual training program for year 2018 established dated 16/01/2018 approved by mill manager.</p> <p>Records training was sighted example:</p> <p>Environmental policy training conducted on 14/04/2018 and 12/06/2018 for all workers and staff</p> <p>Meeting for environmental on 21/09/2018 conducted by mill manager discuss</p> <ul style="list-style-type: none"> <li>• Scheduled waste</li> <li>• Air pollution control</li> </ul>												
4.5.2	<p>Silimpompon has establish Energy optimization plan dated 05/09/2018.</p> <p>Silimpompon Palm Oil Mill has established Silimpompon Palm Oil Mil diesel baseline 2018 to monitor diesel consumption.. Sighted diesel consumption from January 2018 to October 2018. The actual ratio was below the baseline established accept for the month of March 2018 due to low crops season.</p> <p>Diesel consumption records L/ton FFB sighted for past 3 years 2015 to 2017</p> <p>Optimization plan established example:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No</th> <th>Plan</th> <th>Purpose</th> <th>Expectation</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				No	Plan	Purpose	Expectation					Obs
No	Plan	Purpose	Expectation										

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Principle 5: Environment, natural resources, biodiversity and ecosystem services																	
Criterion By Audit	Summary of Assessment				Compliance												
	1	LED Bulb / Non-conventional light tube conversion	Reduce energy load / consumption	Decrease power													
	<p>Mill has monthly budget fuel consumption base on annual budget 2018. Mill boiler use fibers, shell generated. Produce energy for mill and domestic electricity usage. EFB send back to the estate for mulching and sludge as soil conditioner.</p> <p>Waste management plan is established dated 15/10/2018.</p> <p>Identification of waste sighted.</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Waste identification</th> <th>Source</th> <th>Effect to environmental</th> </tr> </thead> <tbody> <tr> <td>Municipal waste</td> <td>Domestic waste</td> <td>Worker housing</td> <td>Produce unpleasant odour</td> </tr> </tbody> </table>				Type	Waste identification	Source	Effect to environmental	Municipal waste	Domestic waste	Worker housing	Produce unpleasant odour					
Type	Waste identification	Source	Effect to environmental														
Municipal waste	Domestic waste	Worker housing	Produce unpleasant odour														
4.5.3	<p>Silimpompon Mill SOP SPOM-QSP-07 "Chemical Handling" dated 01/06/2018 was reviewed. Stated in the SOP chemicals containers to be store base on SDS guidance and safety precaution in handling chemicals.</p> <p>Mill share landfill with Silimpompon 1 Estate and distance between landfill and housing area approximately 2 km.</p> <p>Pollution management plan is established dated 08/10/2018. The plan list type of pollutions and action plan to mitigate and reduce pollution.</p> <p>The plan include assessment on FFB reception activities emissions from FFB transportation, type of GHG, water pollution, air pollution, land pollution, noise pollution, particulate / soot and scheduled waste.</p> <p><b>Non-conformity indicator 4.5.3.2:</b></p> <p>Silimpompon Mill has established oil traps. However, one of the oil traps located at schedule waste store contain oil at the last compartment. Records of monitoring shows that the oil trap were cleaned once a month. Management shall consider a mechanism to ensure the oil trap outflow is checked regularly.</p> <p><b>Observation indicator 4.5.3.1:</b></p> <p>Silimpompon Mill has established EIA which include plan to reduce or managing any impacts. Observation on CPO Oil Tanks indicates there are drains and oil trap to retain spillage. However, management may consider improving on prevention measure to avoid any possible spillage occur.</p>				Minor NC 1 OBS 1												
4.5.4	<p>Action plan to reduce the pollution and emissions describe in pollution management plan. Example:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Planning</th> <th>Objective</th> <th>Target</th> <th>Completion timeline</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				No	Planning	Objective	Target	Completion timeline	Responsibility							Yes
No	Planning	Objective	Target	Completion timeline	Responsibility												



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Principle 5: Environment, natural resources, biodiversity and ecosystem services							
Criterion By Audit	Summary of Assessment						Compliance
	1	Flue Gas emission control system	Reduce stack emissions	20% opacity	2019	Mill manager	
	Palm oil mill effluent (POME) is treated to ensure compliance with DOE regulations. Analysis results from 3 <sup>rd</sup> party dated 24/08/2018 sighted and below DOE requirements.						
4.5.5	<p>Silimpompon Mill has established water management plan dated 30/07/2018. Stated in the water management plan, the sources of water from water catchment ponds. The abstracted water is treated for domestic use and mill operations.</p> <p>Silimpompon Mill has established Monthly Water Consumption for 2018 which include water usage from operational and domestic.</p> <p>Water usage on operation per mt of FFB process sighted.</p> <p>Mechanism to optimize water usage:</p> <ol style="list-style-type: none"> <li>1. Cooling water form steam turbine recycle back to clean water tank at water treatment plan (WTP).</li> <li>2. Water from vacuum dryer recycle back to hot water tank for other usage inside the mill.</li> <li>3. Install rain barrel to collect rainwater for use inside Mill</li> </ol>						Yes

Principle 6: Best Practices		
Criterion By Audit	Summary of Assessment	Compliance
4.6.1	<p>Sighted SOP register for Silimpompon Mill.</p> <p>Example of SOP:</p> <p>Inspection SOP:</p> <ol style="list-style-type: none"> <li>a) Crop quality report SPOM-QSP-02/SOP-10, dated 01/06/2018.</li> <li>b) Weighbridge maintenance SPOM-QSP-02/SOP-13 dated 01/06/2018.</li> </ol> <p>Operational SOP:</p> <ol style="list-style-type: none"> <li>a) Ramp SOP for SPOM-QSP-03/SOP-01 dated 01/06/2018.</li> <li>b) Press station procedure, SPOM-QSP-03/SOP-10 dated 01/06/2018.</li> </ol> <p>Example of training conducted:</p> <ol style="list-style-type: none"> <li>a) Thashing station SOP training conducted on 06/07/2018.</li> <li>b) SOP chemical handling conducted on 28/08/2018.</li> </ol>	Yes

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Principle 6: Best Practices		
Criterion By Audit	Summary of Assessment	Compliance
4.6.2	Silimpompon Mill has established Long term plan & financial projection has for the year 2017 – 2023. The plan has included: <ol style="list-style-type: none"> <li>1. Budget allocation for each year.</li> <li>2. Projected FFB process, COP and PK produces.</li> <li>3. Projected OER and OK extracted base on FFB process.</li> </ol>	Yes
4.6.3	Silimpompon Mill has established contract with contractors which include: <ul style="list-style-type: none"> <li>• Job description.</li> <li>• Legal requirements.</li> <li>• Specific work guidance.</li> </ul> Example: Contract agreement for transport of CPO and PK.	Yes
4.6.4	Silimpompon Mill has conducted training on Company Policies, HR Procedures, and MSPO Principles to contractor workers on 21/09/2018.  Mill has established contract agreement in line with Laws and Regulation. Sighted works progress and payment made according to the contract agreement.  Sighted contract agreement with contractor which include clause on:  "Contractor must fulfill the requirement of MSPO or other certification system of the company".	Yes

## 4.4. Status of Non-Conformities Previously Identified

X	The stage 1 audit findings of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have been implemented to address the identified audit findings. Details of the follow up action taken on stage 1 audit findings were recorded in the Stage 1 audit report.
	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.
<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>	
<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>	

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

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

AUDIT OUTCOME	
<b>MAJOR Non-Conformities</b>	1

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<b>MINOR Non-Conformities</b>	1
<b>OBSERVATION</b>	1

Non Conformity Number < 01 >			
Indicator: 4.4.5.11			
In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. (MAJOR)			
Location	Silimpompon Palm Oil Mill		
<b>Description of Finding / Objective Evidence:</b>			
During inspection on housing compound, it was found that there are mosquito larvae on a drain located nearby housing compound. There is possibility of health risk related to mosquito related disease for residence staying at the housing compound.			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	<input type="checkbox"/> Observation
Date Raised: 18/10/2018	<b>Deadline for implementation</b>	18/12/2018	
<b>Root Cause Analysis (by company):</b>			
<ol style="list-style-type: none"> <li>The rainfall on previous days is not sufficient to ensure smooth flowing of water.</li> <li>Both end of the drain is higher than middle causing water stagnant.</li> </ol>			
<b>Correction (by company):</b>			
A channel is built at the middle of drain to discharge the stagnant water that causing breeding of mosquito larvae.			
<b>Corrective / Preventive Action (by company)</b>			
<ol style="list-style-type: none"> <li>A checklist is established to study the condition of monsoon drain at housing area. Any possible stagnant water at monsoon drain that will cause mosquitoes breeding shall be modified.</li> <li>All workers &amp; dependents will be brief with awareness campaign from time to time.</li> <li>Spring cleaning will be done quarterly.</li> <li>Internal clinic will do housing inspection monthly.</li> </ol>			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
Sighted housing drain monitoring planning inspection form. Drain monitoring has been conducted at Block A, B, C and D from 4 <sup>th</sup> week of October onwards.			
Weekly housing drain monitoring dated 14/11/2018 which include monitoring for:			
<ol style="list-style-type: none"> <li>Present of stagnant water.</li> <li>Present of Algae.</li> <li>Present of Larvae.</li> </ol>			
Awareness training on Breeding ground of Aedes at housing compound is conducted for residents dated 21/11/2018 and mill workers dated 13/11/2018.			
Based on document review, it is sufficient to close the major non-conformity. The effectiveness will be review in the next audit.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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Non Conformity Number < 01 >	
<b>Name of Auditor:</b> Sheron Pui Ling Wui	<b>Date of Closure:</b> 04/12/2018
<b>Review of Implementation for Major NC (where applicable)</b>	
Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Name of Lead Auditor / Auditor:</b>	<b>Date of Closure:</b>

Non Conformity Number < 02 >		
Indicator: 4.5.3.2		
A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:		
(MAJOR)		
<ol style="list-style-type: none"> <li>Identifying and monitoring sources of waste and pollution</li> <li>Improving the efficiency and recycling potential of mill by-products by converting them into value-added by-products.</li> </ol>		
Location	Silimpompon Palm Oil Mill	
<b>Description of Finding / Objective Evidence:</b>		
Silimpompon has established oil traps. However, one of the oil traps located at scheduled waste store contain oil at the last compartment. Records of monitoring shows that the oil trap were cleaned once a month. Management shall consider a mechanism to ensure the oil trap outflow is checked regularly		
Classification	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor <input type="checkbox"/> Observation
Date Raised: 18/10/2018	<b>Deadline for implementation</b>	Next surveillance audit
<b>Root Cause Analysis (by company):</b>		
<ol style="list-style-type: none"> <li>Low rainfall on previous days causing extra low water level in the oil trap.</li> <li>Before audit period, there is cleaning activity that causing flushing of water oil mixture into the last compartment of oil traps.</li> </ol>		
<b>Correction (by company):</b>		
<ol style="list-style-type: none"> <li>Oil is collected and put into sludge oil storage.</li> <li>Oil traps will be check weekly for two months to ensure functionality of the oil trap.</li> </ol>		
<b>Corrective / Preventive Action (by company)</b>		
<ol style="list-style-type: none"> <li>The design of oil trap will be reviewed again to ensure no overflow of oil into the last compartment of oil trap.</li> <li>The oil trap will be check monthly to ensure functionality of oil trap.</li> </ol>		
<b>Review of Correction &amp; Corrective / Preventive Action</b>		

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Non Conformity Number < 02 >	
Form for Oil Trap inspection is established. The form include detail of oil trap condition such as trapped oil, sediments, water level, overflow, structure, cover and drains.. Further inspection is added on remark column. In Sighted picture of standard design of oil trap that will prevent any spillages. Implementation and site verification will be conducted in next surveillance audit.	
Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Name of Auditor:</b> Zul Hairi Bin Abu Hassan	<b>Date of Closure:</b> <b>Next surveillance audit.</b>
Review of Implementation for Major NC (where applicable)	
Closed: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Name of Lead Auditor / Auditor:</b>	<b>Date of Closure:</b>

Observation < 01 >	
Indicator: 4.5.3.1 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. (MAJOR)	
Location	Silimpopon Palm Oil Mill
Description of Finding / Objective Evidence:	
Silimpopon Mill has establish EIA which include plan to reduce or managing any impacts. Observation on CPO Oil Tanks indicates there are drains and oil trap to retain spillage. However, management may consider improving on prevention measure to avoid possible spillage occur.	
Review of Correction & Corrective / Preventive Action	
Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Name of Lead Auditor:</b> Mohamad Norhisham Bin Mohd Salleh	

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### 5. CONCLUSION

Kretam Holdings Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct Certification audit for its Silimpompon oil mill according to MSPO 2530-4:2013 Part 4 General principles for palm oil mills.

One Major NC raised is closed out successfully. Fore, one minor non-conformance action plan is submitted, review and accepted by Lead Auditor. Implementation of Minor NC and OBS will be review and verify during the next audit.

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

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

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

Certified CPO from October 2017 to September 2018 : 44,598.64 mt.

Certified PK from October 2017 to September 2018 : 10,378.34 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, review of documentation and records.

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

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

Therefore the audit team recommends that based on the results of this audit and the system demonstrate the state of development and maturity the 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

Subang Jaya, 14/01/2019

Mohamad Norhisham Bin Mohd Salleh  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Subang Jaya, 14/01/2019

Terence Ang Wai Sheng  
TUV NORD (Malaysia) Sdn Bhd  
Certifier / Approver

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Audit Type: Stage 2



### 7. REFERENCES

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

No.	Name	Organisation / Function
1.	John Noha	SMK Kalabakan
2.	Calviin G. Akim	SMK Kalabakan
3.	Kathryn Rivai	CLC Silimpopon 2
4.	Riswan Hasanudin	CLC Silimpopon 1
5.	Faiz Masangkin	Jabatan Hidupan Liar
6.	Gabili Siridan	Jabatan Hidupan Liar
7.	David Shagan	Jabatan Perhutanan Sabah
8.	Abd Hasan Marhaba	Pejabat Pelajaran Daerah Kalabakan
9.	Rio Bin Rais	Balai Polis Kalabakan
10.	Faizul Bin Mansyur	Balai Polis Kalabakan
11.	Nick Aaron	Felda Kalabakan Tengah 01
12.	Doneysius James	Feld Kalabakan Tengan 01



# MSPO Certification Summary Report

Company Name: Kretam Holdings Bhd.  
Certifying Unit: Silimpompon Palm Oil Mill  
Client Number: 92-047  
Audit Type: Stage 2



## 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