



# MSPO CERTIFICATION SUMMARY REPORT

TOPAZ EMAS SDN BHD

STAGE 2 – CERTIFICATION AUDIT

Date: 01/11/2019

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# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



## Table of Contents

1		
1.	INTRODUCTION .....	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and Qualification of team members	4
2.	METHODOLOGY.....	8
3.	ORGANISATION INFORMATION .....	10
3.1.	Production volume	10
3.2.	Maps of Company and Mill Location	10
4.	CERTIFICATION ASSESSMENT .....	12
4.1.	Stage 2 Certification audit	12
4.2.	Stakeholders' Consultation	12
4.3.	Summary of Findings	14
4.4.	Status of Non-Conformities Previously Identified	30
4.5.	Detail of Audit Findings Identified during last Audit	30
4.6.	Detail of Audit Findings Identified During This Audit	30
5.	<b>CONCLUSION</b>	35
6.	<b>RECOMMENDATION</b>	36
7.	<b>LIST OF INTERVIEWEES</b>	37
	<b>Annex / Enclosures</b>	38

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit

---



## Abbreviations

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

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



## 1. INTRODUCTION

Topaz Emas Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct stage 2 certification audit for its 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 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 palm oil mill Topaz Emas Sdn Bhd.

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 two 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): Ariff Bin Lokman

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

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Requirement	Qualifications
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	7 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MSPO Lead auditor training course.
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as auditor base on audit log.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantations.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantations.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Successfully completed IMS ISO 9001, ISO 14001, and ISO 45001 Lead Auditor course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA8000 Basic Training.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course and auditor for MSPO scheme.
Good Milling Practices for example palm oil milling working experience or demonstrate equivalent.	Successfully completed MSPO Lead auditor course training and Qualified as auditor for MSPO scheme.

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



### 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	Cheong Chun Yuen, Robert	Graduate in Business Administration.	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	Graduate in Applied Science (Major in Plantation and 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)	Cheong Chun Yuen, Robert	Senior auditor for RSPO, MSPO, ISCC and Carbon Credits	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
Attended the MS 2530 series of standards training	Cheong Chun Yuen, Robert	Successfully completed MS2530 series training.	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed MSPO Lead auditor training course.	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Cheong Chun Yuen, Robert	Senior auditor for RSPO, MSPO, ISCC and Carbon Credits	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	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, English and / or any other local language.	Cheong Chun Yuen, Robert	Able to communicate in Bahasa Malaysia, Mandarin and English.	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	Able to communicate in Bahasa Malaysia and English.	Yes

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Requirement	Assessor	Qualification	Compliance
Field working experience in the palm oil sector, or demonstrable equivalent	Cheong Chun Yuen, Robert	Senior auditor for RSPO, MSPO, ISCC and Carbon Credits	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Cheong Chun Yuen, Robert	Senior auditor for RSPO, MSPO, ISCC and Carbon Credits	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed IMS ISO 9001, ISO 14001, and ISO 45001 Lead Auditor course.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Cheong Chun Yuen, Robert	Successfully completed Basic SA 8000 & GRI 4 training Senior auditor for RSPO, MSPO, ISCC and Carbon Credits	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed SA8000 Basic Training.	Yes
Good Milling Practices for example palm oil milling working experience or demonstrate equivalent.	Cheong Chun Yuen, Robert	Senior auditor for RSPO, MSPO, ISCC and Carbon Credits	Yes
	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed MSPO SCCS course.	Yes

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



## 2. METHODOLOGY

The audit approach consists of the following steps:

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

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

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

### **Type of audit: Certification Audit**

Certification Audit is conducted on 21/08/2019 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;



## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit

---



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

### 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.

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



## 3. ORGANISATION INFORMATION

Topaz Emas Sdn Bhd is located at Lot 1597, 40KM, Jalan Taiping / Bruas, 34800 Trong, Perak. The mill began operation in August 1988 with an operating capacity of 20 MT per hour. In 2013 it was upgraded to 70 MT per hour operating capacity.

Name of Mill	Location	Coordinates
Topaz Emas Sdn Bhd	Lot 1597, 40KM, Jalan Taiping / Bruas, 34800 Trong, Perak	N 4°55'37" E 100°72'56"

### 3.1. Production volume

Actual volume for the past year Jan 2018 to Dec 2018			Actual volumes Jan 2019 to July 2019			Projected volume Aug 2019 to Dec 2019		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
231,336.88	43,859.55	14,220.49	132,239.22	24,472.06	8,126.67	95,000	18,050	4,750

### 3.2. Maps of Company and Mill Location

Figure 1



# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Figure2



## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



### 4. CERTIFICATION ASSESSMENT

#### 4.1. Stage 2 Certification audit

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

##### 4.1.1. Stage 1 Audit

The objective of the stage 1 audit is to assess the readiness of the documentation establish 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 which are entering into the MSPO system, that

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

These organization shall undergo both Stage I and II audit

Topaz Emas Sdn Bhd do not has any certification, therefore, has to undergo Stage I audit.

The audit team has apply the Malaysian Sustainable Palm Oil Part 4: General principles for palm oil mills guidance to assess the established documents against the Principles and Criteria of the standard

The Stage I audit is conducted on 11/06/2019 covering the following activities:

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

##### 4.1.2. Stage 2 Certification audit:

The Stage 2 certification audit is conducted on 21/08/2019 covering Topaz Emas Sdn Bhd mill.

During the Stage II audit, there are 3 Minor findings and 15 Opportunity for Improvement (OFI) are raised.

The number of audit findings raised in this audit refer to Section 4.5 of this audit report.

#### 4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 16/07/2019 as to accommodate stakeholder's consultation meeting for Topaz Emas Sdn Bhd to provide comments. As at audit date on 21/08/2019 there are no comments received.

Invitation letters are sent on 16/07/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 21/08/2019 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.

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



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.
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 that they have been informed a logbook and form available at the office to lodge any complaints or suggestions.
3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.  
The local communities could confirm the company has provide assistance and support to communities.
4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information  
The contractors who provides maintenance and service could confirm they are briefing on MSPO requirements.

There is no issues raised during the stakeholder's consultation in terms of tenure and/or 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?	Stakeholders confirmed they received invitation letter from TUV NORD (M) Sdn Bhd informing of MSPO.	No further action required.
2	Social issues	Stakeholder confirmed there are no issue or concern raise during stakeholders' meeting.	Positive comment for Topaz Emas Sdn Bhd.
3	Economy / livelihood	Stakeholders informed Topaz Mill employ locals as workers and staff.	Positive comment for Topaz Emas Sdn Bhd.

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
	Is there any impact on livelihood after the introduction of MSPO?		
4	Does MSPO largely benefits the local community?	Stakeholders acknowledge there is improvement in income since working with the mill.	Positive comment for Topaz Emas Sdn Bhd.
5	Environmental understanding	Stakeholders are aware and have a better understanding on environmental issues.	Positive comment for Topaz Emas Sdn Bhd.
6	Support to smallholders	Stakeholders acknowledge Topaz Emas support smallholders by accepting their FFB and provide information on FFB prices.	Positive comment for Topaz Emas Sdn Bhd.
7	FFB quality	Stakeholders aware of FFB quality and Topaz Emas is in collaborating with suppliers to ensure FFB quality and grading according to MPOB requirements	Positive comment for Topaz Emas Sdn Bhd.
8	Are there any mill management practices that affect you?	Stakeholders confirmed they have not encounter any negative impacts from the mill operation.	Positive comment for Topaz Emas Sdn Bhd.
9	Do you consider the management is in conflict with the MSPO principles and criteria?	Stakeholders are confident that Topaz Emas has taken efforts to meets the MSPO requirements.	Positive comment for Topaz Emas Sdn Bhd.
10	Do you have any suggestions for management?	No further suggestions.	No further input for consideration

### 4.3. Summary of Findings

Principle and 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 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

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	Topaz Emas established MSPO Policy dated 01/04/2019 sign by Company Director and display at notice board. Policies training for workers and staff conducted on 24/06/2019.	Yes

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.2	<p>Topaz Emas MSPO policy statement:</p> <p>Topaz Emas committed to provide adequate resources towards sustainability of palm oil business by implementing MSPO system and continuous improvement on sustainability development.</p> <ul style="list-style-type: none"> <li>- Management commitment and responsibility</li> <li>- Transparency</li> <li>- Compliance to legal requirement</li> <li>- Social responsibility, health, safety and employment conditions</li> <li>- Environment, natural resources</li> <li>- Best practices</li> </ul>	Yes
4.1.2.1	<p>Topaz Emas has established SOP for internal audit document number MP 01, issue revision 1/1 dated 15/11/2018.</p> <p>The procedure describes the audit will be conducted at least once a year before third party external audit.</p> <p>Latest internal audit conducted dated 29/05/2019. There were 8 NCs and 12 OFI raised.</p>	Yes
4.1.2.2	<p>The latest internal audit conducted on 29/05/2019 with 8 non-compliance and 12 OFI raised.</p> <p>Internal audit conducted covered all elements of MSPO P&amp;C requirements.</p> <p>The non-conformities raised are addressed with correction and prevention action.</p>	Yes
4.1.2.3	<p>Management review conducted on 30/05/2019 that include results of internal audits.</p>	Yes
4.1.3.1	<p>Topaz Emas established SOP Management Review document number, MP 02, issue revision 1/1/ dated 15/11/2018.</p> <p>The SOP describes the frequency of management review is at least once annually.</p> <p>Most recent management review conducted on 30/05/2019 with agenda as follows:</p> <ul style="list-style-type: none"> <li>- Actions of previous meeting</li> <li>- MSPO certification status</li> <li>- Manual, Policy and procedure status</li> <li>- Results of internal audits</li> <li>- Preventive and corrective action status</li> <li>- Recommendation for improvement.</li> </ul>	Yes
4.1.4.1	<p>Topaz Emas established Continuous Improvement Plan 2019.</p> <p>The CIP includes social, environment, operation and safety and health.</p>	Yes

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



<b>Principle 1: Management Commitment &amp; responsibility</b>		
Indicator	Summary of Assessment	Compliance
	<p>CIP established describes:</p> <ol style="list-style-type: none"> <li>1. Objectives / focus / areas / goals</li> <li>2. Strategies and activities</li> <li>3. Resources and support</li> <li>4. Person in charge</li> <li>5. Timeline.</li> <li>6. Measure of success</li> <li>7. Results</li> <li>8. Scope</li> </ol>	
4.1.4.2	<p>Topaz Emas has used CIP as a system to improve practices with new technology and information.</p> <p>Example of new system to be implemented.</p> <ul style="list-style-type: none"> <li>- Installing of heat insulator for the pipes (CPO / PKO / Steam)</li> </ul>	Yes

<b>Principle 2: Transparency</b>		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>Topaz Emas established list of Stakeholders that includes contractors, suppliers, local communities, government agencies and NGOs.</p> <p>Stakeholders meeting conducted on 30/04/2019 includes relevant stakeholders.</p>	Yes
4.2.1.2	<p>Topaz Emas establish list of public and confidential available documents.</p> <p>Public: 4 documents</p> <p>Example:</p> <ul style="list-style-type: none"> <li>- Annual stakeholders meeting</li> <li>- Complaint and grievance records</li> </ul> <p>Confidential: 10 documents</p> <p>example;</p> <ul style="list-style-type: none"> <li>- Land titles</li> <li>- Standard operating procedures</li> </ul> <p>There are available in both Bahasa Malaysia and English.</p>	Yes
4.2.2.1	<p>Topaz Emas has establish SOP for Communication document no: SOP-MP5-Management Procedure/5 dated 15/11/2018, revision 1/1.</p> <p>The SOP states the period to solve the input from stakeholders is within 2 weeks.</p>	Yes



## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.2.2	Topaz Emas appoints MSPO clerk as the person in-charge of consultation and communication dated 01/04/2019.	Yes
4.2.2.3	Topaz Emas established list of stakeholders that include contractors, suppliers, local communities, government agencies and NGOs. Stakeholders minutes of meeting dated 30/04/2019 is sighted.	Yes
4.2.3.1	Topaz Emas established SOP Traceability, document no. SOP-MP10-Management Procedure /10 dated 15/11/2018 and revision 1/1. SOP describes; <ol style="list-style-type: none"> <li>1. Person in charge for oversee the traceability process.</li> <li>2. Sequence of traceability from receiving of FFB until dispatch of CPO and PK.</li> </ol>	Yes
4.2.3.2	Internal audit conducted on 29/05/2019 as mechanism for traceability. Results of internal audit on traceability is review and no issues raised. Sighted comment is compliance to the requirements.	Yes
4.2.3.3	Topaz Emas appoints the Admin Clerk as person in charge for traceability dated 01/04/2019.	Yes
4.2.3.4	Topaz Emas has established monthly records of storage, sales and delivery. Delivered palm products are traceable to FFB supplier and crosscheck with delivery notes, weighbridge tickets issued against weighbridge tickets from sellers. Weighbridge tickets from FFB supplier is review. The tickets is consist of the following; <ul style="list-style-type: none"> <li>- MPOB license, ticket no, date, vehicle no, product, weight and graded OER.</li> </ul> Weighbridge ticket for PK despatch is review that contain following information: <ul style="list-style-type: none"> <li>- Date, ticket no, date, vehicle no, contract no, product and weight.</li> </ul> All weighbridge tickets are documented and well maintained.	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	Topaz Emas established List and Summary of Applicable Laws and regulations dated 01/04/2019. Example of legal documents: <ol style="list-style-type: none"> <li>1. Occupational Safety and Health Act 1994(Act 514)</li> </ol>	Yes

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<p>2. Electricity Supply Act 1990 (act 447)</p> <p>3. Employment Act 1955 (Act 265)</p> <p>Topaz Emas established licenses and permits master list dated 25/05/2019.</p> <p>Example of licenses:</p> <ol style="list-style-type: none"> <li>1. MPOB license no. 500103204000 valid until 29/02/2020.</li> <li>2. DOE Wastewater discharge permit license no. 004207 valid until 30/06/2019.</li> <li>3. Diesel storage permit for 9,000 litre skid tank valid until 29/06/2020</li> <li>4. Fire Certificate valid until 23/06/2020.</li> </ol>	
4.3.1.2	<p>Topaz Emas established List and Summary of Applicable Laws and regulations dated 01/04/2019.</p> <p>The list has included summary of related laws and its requirement applicable for mill operations.</p>	Yes
4.3.1.3	<p>Topaz Emas established Legal register, issue 1 rev 00 dated 01/04/2019.</p> <p>There is no update yet since the document is established recently</p>	Yes
4.3.1.4	<p>Topaz Emas appoints the mill secretary as person in charge to update legal documentation as and when any updates or changes occurs.</p>	Yes
4.3.2.1	<p>Topaz Emas located on Mukim Sungai Tinggi, Larut and Matang District.</p> <p>There are 11 land titles</p> <p>Type of land title: Grant and Leased</p> <p>The purpose of land title varies for industrial, agricultural and commercial usage.</p>	Yes
4.3.2.2	<p>Topaz Emas land titles are grant or leased issued by Larut, Matang District Office.</p> <p>Land titles are in the name of Topaz Emas</p>	Yes
4.3.2.3	<p>Topaz Emas land titles are grant or leased issued by Larut, Matang District Office.</p> <p>The land titles include a map with boundary markers.</p> <p>The mill facilities are within the boundaries of all the land titles.</p>	Yes
4.3.2.4	<p>Topaz Emas land titles are issued by District Office of Larut Matang. Therefore, no FPIC required.</p>	Yes
4.3.3.1	<p>Topaz Emas land titles are issued by Larut Matang District office. There are no customary land titles,</p>	Yes
4.3.3.2	<p>Topaz Emas land titles are issued by Larut Matang District office and are not customary land</p>	Yes

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.3.3	Topaz Emas land titles are issued by Larut Matang District office and not customary land. Therefore no FPIC required.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>Topaz Emas Sdn Bhd established Social Impact Assessment conducted on 30/05/2019 through observation, discussion, interview and stakeholders meeting.</p> <p>Questionnaires were used for the assessment to obtain input from:</p> <ol style="list-style-type: none"> <li>1. Internal stakeholders- workers and staff.</li> <li>2. External stakeholders-consultant, dealers, and suppliers.</li> </ol> <p>Example of impacts taking account into SIA:</p> <ol style="list-style-type: none"> <li>1. Access and use rights.</li> <li>2. Subsistence activities.</li> <li>3. Cultural and religious values.</li> </ol> <p>The SIA established has identified negative and positive impacts.</p> <p>Example positive impacts:</p> <ol style="list-style-type: none"> <li>1. Increase human source quality</li> <li>2. Create new employment.</li> </ol> <p>Example of negative impacts:</p> <ol style="list-style-type: none"> <li>1. Contamination from palm oil waste.</li> <li>2. Flooding because of irrigation.</li> </ol> <p><b>Minor NC</b></p> <p><b>The monitoring plan is not established to promote the positive and mitigate the negative</b></p>	Minor NC
4.4.2.1	<p>Topaz Emas established SOP complaint and grievances. Policy number: SOP-MP4-Management Procedure/4 dated 15/11/2018 with revision 1/1 and display at notice board.</p> <p>The SOP describes;</p> <ol style="list-style-type: none"> <li>1. Characterize your complaint / grievances</li> <li>2. Consider resolving the complaint / grievances</li> <li>3. Report complaint / grievances</li> <li>4. The committee shall convene the meeting within two weeks after receiving the reports.</li> </ol>	Yes

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance	
	<p>5. The complaint shall be treated on a confidential basis</p> <p>6. Resolving complaint informally. Record the outcome of the issue.</p> <p>SOP states the complaint and grievance to be address within two weeks after receiving the report.</p>		
4.4.2.2	SOP stated the complaint and grievance to be address within two weeks after receiving the report.	Yes	
4.4.2.3	Complaint form are available at guardhouse and mill office.	Yes	
4.4.2.4	Topaz Emas conducted MSPO training including the complaint and grievances to workers and staff on 15/04/2019 and external stakeholders on 30/04/2019.	Yes	
4.4.2.5	There is no complaint lodged or received as at audit date. Therefore, no records established.	Yes	
4.4.3.1	<p>Topaz Emas provides work opportunities to local community and support smallholders by buying the FFBs from FFB dealers.</p> <p>Employment list is reviewed with locals are employed.</p>	Yes	
4.4.4.1	<p>Topaz Emas established Safety and Health Policy dated 01/04/2019 sign by Director and display at office notice board.</p> <p>Polices training includes Safety and Health policy conducted on 31/05/2019.</p>	Yes	
4.4.4.2	a	Topaz Emas established Safety and Health Policy dated 01/04/2019 sign by Director.	Yes
	b	<p>Topaz Emas established HIRARC dated 22/06/2018.</p> <p>The HIRARC table includes:</p> <ol style="list-style-type: none"> <li>1. Hazard identification.</li> <li>2. Risk analysis.</li> <li>3. Risk control.</li> </ol> <p>Example of activities:</p> <ol style="list-style-type: none"> <li>1. Boiler station.</li> <li>2. Sterilizer station.</li> <li>3. Crude Oil Tank.</li> </ol>	Yes
	c. i	<p>Topaz Emas conducted safety awareness training on:</p> <p>Firefighting, safety and fire drill on 22/04/2019.</p> <p>Chemical handling on 22/07/2019</p>	Yes
	c. ii	<p>SDS are available at point of use at the stores and laboratory.</p> <p>Store are in good condition.</p>	Yes

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



### Principle 4: Social Responsibility, health, safety and employment conditions

Indicator	Summary of Assessment	Compliance
d	<p>Topaz Emas provide PPEs for workers in accordance t HIRARC and CHRA assessment. PPE issuance records reviewed.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>- Safety Helmet</li> <li>- Earplugs</li> <li>- Safety Shoe</li> <li>- Safety gloves</li> </ul>	Yes
e	<p>Topaz Emas established SOP for chemical handlings, issue / revision 01/01 dated 15/11/2018.</p> <p>OSHA Act 1997 OSHA regulation 2000.</p> <p>Topaz Emas has conducted Chemical health Risk Assessment Report for wastewater treatment and boiler dated 07/01/2015. The assessment includes safety measures and PPE applicable.</p>	Yes
f	<p>Topaz Emas appoints the Assistant Mill Engineer as the health and safety coordinator.</p>	Yes
g	<p>Topaz Emas latest OSH meeting conducted on 28/03/2019. Previous meeting on 21/12/2018 and 29/09/2018 respectively.</p> <p>The safety committee members comprise of workers and management' representatives.</p> <p>Stated in the meeting minutes of 28/03/2019 and 21/12/2018 there are no accidents or injury cases reported.</p> <p>JKKP annual reporting for year 2018 no accidents reported.</p>	Yes
h	<p>Topaz Emas established Emergency Respond Plan.</p> <p>The ERP describes:</p> <ul style="list-style-type: none"> <li>- Scope of ERP</li> <li>- Objectives of ERP</li> <li>- Basic ERP</li> <li>- Spillages</li> <li>- Tank leakage Tank Burst</li> </ul>	Yes
i	<p>Topaz Emas conducted CPR and first aid training by Hospital Taiping on 25/04/2019</p>	Yes
j	<p>There are no accidents or injuries occur in year 2018 and from Jan to audit date 2019</p> <p>JKKP 8 reporting for year 2018 had no accidents or injuries.</p>	Yes
4.4.5.1	<p>Topaz Emas established Social Policy dated 01/04/2019 and signed by Director and display at notice boards.</p>	Yes

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Briefing on Company Policy for all employees conducted on 31/05/2019.	
4.4.5.2	<p>Topaz Emas Social Policy dated 01/04/2019 signed by Director that describes:</p> <p>Treat all relevant and related stakeholders with respect and politely without taking consideration of race, skin, colour, beliefs, gender, religion, political views, nationality, origin or any different traits.</p> <p>Providing equal opportunity in employment recruitment and employment without consideration of race, skin, colour, beliefs, gender, religion, political views, nationality, origin or any different traits.</p>	Yes
4.4.5.3	<p>Topaz Emas pays workers in accordance to minimum wages order 2018.</p> <p>There is no collective agreement made between Topaz Emas management and workers.</p>	Yes
4.4.5.4	<p>Topaz Emas engage labour supply contractor to provide workers.</p> <p>According to the contract, workers will be paid RM1,000 per month in accordance to minimum wage 2018.</p> <p><b>Minor NC</b></p> <p><b>During review of June payment to contractor, workers are paid based on daily rate by the contractor.</b></p> <p><b>Therefore, this is inconsistent with the agreement.</b></p> <p><b>The management has not establish a mechanism to ensure the labour contractor pays the workers according to the minimum requirements as stated in the agreement.</b></p>	Minor NC
4.4.5.5	<p>Topaz Emas established list staff and workers that includes employee no, name, address, IC/Passport no, employment date, position.</p> <p>The list includes the local, foreign and contractor workers.</p>	Yes
4.4.5.6	<p>Topaz Emas issue employment agreement for both local and foreign workers duly signed by workers and management.</p> <p>A copy of employment agreement provided to each worker. This is confirmed during interview of workers.</p>	Yes
4.4.5.7	<p>Topaz Emas Sdn Bhd use thumbprint system for recording report for work time and overtime for staff and workers.</p> <p>Daily Clocking Report is review for 20/08/2019 indicating the check in time, check out time and overtime if any.</p> <p>Workers are aware of working hours as stated in the employee daily clocking report and contract agreement signed.</p> <p>Workers pay slip is review. The overtime paid are according to the minimum wages order 2018.</p>	Yes
4.4.5.8	Topaz Emas working hours are displayed at the notice board.	Yes

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Morning Shift: 08.00 am – 04.00 pm (with 45 min rest)</p> <p>Evening Shift: 04.00 pm – 12.00 am (with 45 min rest)</p>	
4.4.5.9	Workers payslip is review. The wages and overtime are paid in compliance with the minimum wage order 2018.	Yes
4.4.5.10	<p>Topaz Emas provides housing, free medical, water supply, electricity, public holidays, medical leave and return home air passage for foreign workers.</p> <p>Night Shift allowance for local workers as stated the employment contract.</p> <p><b>NC:</b> <b>From review of pay slip and contract, foreign workers are not paid the night shift allowance.</b></p>	Minor NC
4.4.5.11	<p>Topaz Emas provides living quarters for foreign workers with basic amenities of water, electricity, kitchen, nearby to food facilities and religious worship place.</p> <p>Local workers stays at their own home nearby to the mill.</p>	Yes
4.4.5.12	<p>Topaz Emas established Sexual Harassment and Violence policy dated 01/04/2019 signed by Company Director and display at notice boards.</p> <p>Briefing on policies for all employees conducted on 31/05/2019.</p>	Yes
4.4.5.13	<p>Topaz Emas established Social Policy dated 01/04/2019 signed by Company Director that describes:</p> <p>Respect employees' right – in the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize or negotiate their work conditions. Employees exercising this right should not discriminated against or suffer repercussions.</p> <p>Briefing on Company Policies conducted on 31/05/2019/.</p>	Yes
4.4.5.14	<p>Topaz Emas established employment policy dated 01/04/2019 signed by Company Director with a statement describes No person under age of 18 years old shall be employed.</p> <p>Staff and workers details is review and no workers underage of 18 employed.</p> <p>There are no underage workers below 18 yeas found during site interviews.</p>	Yes
4.4.6.1	Topaz Emas established Annual Training Program for year 2019 for respective work areas.	Yes
4.4.6.2	<p>Topaz Emas establish training needs analysis for year 2019 for each staff and workers for the type of training required by each employee</p> <p>Example: PPE and Safe Work Procedure.</p>	Yes

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



## Principle 4: Social Responsibility, health, safety and employment conditions

Indicator	Summary of Assessment	Compliance
4.4.6.3	Topaz Emas establish annual training program for year 2019 from Jan to Dec listing training for the type of work location.	Yes

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

Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>Topaz Emas established Environmental Policy, dated 01/04/2019 sign by Company Director and display at notice boards.</p> <p>The policy describe:</p> <ul style="list-style-type: none"> <li>- Committed to keep the environment clean, safe and healthy.</li> <li>- Will continue to promote greater environmental awareness in daily activities.</li> <li>- Preservation of the environment is the responsibility of everybody in the company.</li> </ul> <p>Topaz Emas established Environmental Management Plan for year 2019 dated 03/07/2019 that describes:</p> <ol style="list-style-type: none"> <li>1. Area / Process.</li> <li>2. Major activities / aspect.</li> <li>3. Impact.</li> <li>4. Management control.</li> <li>5. Person in charge and status.</li> </ol> <p>Activity: Discharge of sludge</p> <p>Impact: Water pollution.</p> <p>Management control: To ensure the water is treated in effluent pond before being discharge.</p> <p>PIC: Lab Assistant.</p>	Yes
4.5.1.2	<p>a</p> <p>Topaz Emas established Environmental Policy dated 01/04/2019 sign by Company Director.</p> <p>The established environmental objectives are:</p> <ol style="list-style-type: none"> <li>1. Minimized environmental impacts of mills operations.</li> <li>2. 100% compliance to licensing requirements.</li> <li>3. Use energy and resources rationally.</li> <li>4. Involved and train staff to increase awareness on environmental issue.</li> <li>5. Minimized the environment impact of production sites.</li> </ol>	Yes



# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>6. Adapt specific prevention and emergency procedures in the environmental.</p> <p>7. Not more than 600L SW 305 generation every month.</p>	
b	<p>Topaz Emas has been established EMP for year 2019 dated 03/07/2019. EMP has cover for all operations.</p> <p>Aspect and impact analysis included all operations is in the EMP.</p> <p>The EMP describes;</p> <ol style="list-style-type: none"> <li>1. Process / area.</li> <li>2. Aspect.</li> <li>3. Negative and positive impact.</li> <li>4. Management control.</li> <li>5. PIC and status.</li> </ol> <p>Environmental impacts and aspect covered – weighbridge, loading ramp, sterilization, threshing, clarification station, depericarper, EFB station, CPO storage tank, PK bulking silo, Boiler station, engine room, workshop, chemical store, lubricant store, scheduled waste store, diesel storage, laboratory, worker quarters, vehicle, water treatment plant and Effluent treatment plant.</p>	Yes
4.5.1.3	<p>The Environmental Management plan established include action to mitigate negative impact.</p> <p>Example:</p> <p>Activity: Steam generation</p> <ul style="list-style-type: none"> <li>• Aspect: Generation of black smoke.</li> <li>• Impact: Positive Rising awareness about environmental protection.</li> <li>• Impact: Negative Air pollution.</li> <li>• Management control: Monitoring emission using CEMS and conduct regular stack monitoring.</li> </ul> <p>Activity: Chemical spillage</p> <p>Promote to positive: Raising awareness about environmental protection</p> <p>Negative impact: Water pollution.</p> <p>Management control: To provide spill kits and secondary containment for all transferring utensil</p>	Yes
4.5.1.4	Environmental issues are covered in CIP 2019.	Yes

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



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

Indicator	Summary of Assessment	Compliance
	<p>The CIP describes;</p> <p>To ensure POME releasing BOD level is within State's DOE guidelines.</p> <ul style="list-style-type: none"> <li>- Implementing proper POME management guideline</li> <li>- Plan and execute the better way to optimize the benefits of POME</li> <li>- Monthly monitoring of BOD results</li> <li>- Methane gas capturing is in progress</li> </ul>	
4.5.1.5	<p>Topaz Emas establish training programs for year 2019 dated 01/06/2019.</p> <p>Topaz Emas has conduct training on chemical handling and objectives of policy on 22/07/2019.</p>	Yes
4.5.1.6	<p>Environmental committee meeting 02/2019 has been conducted on 18/04/2019. The committee meeting comprises of staff and workers representative. Meeting will be held at least once a year.</p>	Yes
4.5.2.1	<p>Topaz Emas established records of diesel per MT off FFB for three years 2016 to 2018.</p> <p>The records established was set as baseline for diesel use by mill.</p> <p>Records indicates diesel consumption for year 2018 is lower than 2017 due to lower FFB processed</p>	Yes
4.5.2.2	<p>Sighted estimated diesel consumption for year 2019 that includes FFB projection and estimated diesel consumption per ton of FFB.</p> <p>The actual usage compared with budgeted is higher due to high FFB processed.</p>	Yes
4.5.2.3	<p>There is no use of renewable energy sighted in the mill.</p> <p>Sighted in the CIP, the erection of methane biogas plant is establish to capturing methane gas for electric generation</p>	Yes
4.5.3.1	<p>Topaz Emas established waste management plan dated 19/08/2019.</p> <p>The waste management plan has includes waste identification, source of pollution, management plan, monitoring and action plan, PIC ad status.</p> <p>Wastes identification and sources of pollution are addressed;</p> <p>Domestic wastes – Labour quarters</p> <p>Scheduled wastes – empty chemical container</p> <p>Dust, Air, Noise – boiler operation, roads.</p>	Yes
4.5.3.2	<p>a</p> <p>Topaz Emas established waste management plan dated 19/08/2019.</p> <p>Waste management plan has include the monitoring and action plan of wastes and pollutions.</p> <p>Wastes: Domestic waste</p> <p>Source: housing area</p>	Yes

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Monitoring plan: dedicated garbage can / tong. Collection at least 2 times / week.	
	<p>b</p> <p>Waste generated from milling operation is identified and documented in the waste management plan.</p> <p>Stated in the plan palm kernel shell, mesocarp fibre, EFB are recycled to add value.</p> <p>Example:</p> <p>Palm kernel shell sold as fuel.</p> <p>Mesocarp used as fuel for boiler operation.</p>	Yes
4.5.3.3	<p>Topaz Emas established SOP for Chemical handlings SOP number MP12-Chemical Handling/12, issue/revision 1/1 dated 15/11/2018.</p> <p>The procedure describe:</p> <ul style="list-style-type: none"> <li>- Handling and storage.</li> <li>- Issuing of chemical.</li> <li>- Exposure control and PPE.</li> <li>- First aid measure.</li> <li>- Related record.</li> </ul> <p>SOP Scheduled waste, SOP number MP 15- Scheduled waste/15, issue/revision 1/1/ dated 15/11/2018. SOP describes on reference scheduled waste to comply with EQA regulation.</p> <p>List of identified scheduled wastes Establish in the waste management plan including engine oil, hydraulic oil, empty chemical container, oil filter and drums.</p> <p>Monitoring plan describes to contact scheduled waste collector every 6 month or when waste generates exceeds 20mt whichever comes first.</p>	Yes
4.5.3.4	<p>Topaz Emas established SOP for domestic wastes document number: SOP MP 13-Domestic waste/13, issue/revision 1/1, dated 15/11/2018.</p> <p>Treatment and disposal plan for domestic waste is sighted in the waste management plan.</p> <p>Domestic waste: plastic bottles / food residue.</p> <p>Action plan: collection 2 times / week.</p>	Yes
4.5.4.1	<p>Topaz Emas established waste management plan dated 19/08/2019.</p> <p>The plan includes polluting activities such as scheduled wastes, process wastes, domestic wastes, scrap iron, greenhouse gases emission, dust, air quality and noise.</p> <p>Disposal and treatment method for scheduled wastes is through E – Swiss collection contractor. Sighted consignment number 2019042513ES2RO1 dated 25/04/2019.</p>	Yes

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance	
	GHG emission is identified – from FFB processing, use of fuel and emission from POME.		
4.5.4.2	<p>Topaz Emas establish action plan to reduce pollution. The plan is incorporated in waste management plan dated 19/08/2019.</p> <p>Action plan:</p> <ul style="list-style-type: none"> <li>- POME treated by wastewater treatment plant</li> <li>- Palm kernel shell, mesocarp fibre, EFB fibre generated sold as fuel or as boiler fuel.</li> <li>- Opacity and dust particulates measured by CEMS</li> </ul>	Yes	
4.5.4.3	<p>POME is treated by traditional open ponding system.</p> <p>A monthly test conducted by external 3<sup>rd</sup> party laboratory to comply with DOE discharge permits.</p> <p>The test conducted on 19/07/2019 with the BOD result is below permissible limit of 100mg/l</p> <p>The treated POME is discharge to the waterways according to DOE requirements</p>	Yes	
4.5.5.1	a	<p>Topaz Emas Sdn Bhd has been established water management plan dated 19/05/2019.</p> <p>The source of water is from the river and rain water.</p> <p>Mill processing water is from the river and water for housing is from Lembaga Air Perak.</p>	Yes
	b	<p>Topaz Emas conduct monthly wastewater effluent test in accordance to DOE requirements. The BOD result is below permissible limit.</p>	Yes
	c	<p>Topaz Emas has established monthly monitoring of mill water usage.</p>	Yes
4.5.5.2	<p>Topaz mill has planned to install biogas system to capture methane from POME by 2030.</p> <p>The CIP is reviewed and crosschecked for this planned activity.</p>	Yes	

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>Topaz Emas establish SOP for Good Milling Practices for palm oil mill operation dated 01/04/2019.</p> <p>Example of SOP established;</p> <ul style="list-style-type: none"> <li>- Chemical handlings</li> <li>- FFB grading</li> </ul>	Yes

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>- Sterilization process</li> <li>- Threshing process</li> <li>- Clarification process</li> <li>- Boiler station</li> </ul>	
4.6.1.2	<p>Topaz Emas implement the best practices.</p> <p>Example;</p> <p>Monitoring of stack emissions for opacity and dust particulates using CEMS to comply DOE requirements</p> <p>Monthly monitoring of POME BOD to comply the permissible discharge limit of 100mg/l.</p>	Yes
4.6.2.1	<p>Topaz Emas established business plan budget for year 2019/2020.</p> <p>The business plan consist of;</p> <ul style="list-style-type: none"> <li>- Budgeted FFB processed and production</li> <li>- Profit and Loss Account</li> <li>- Summary of budgeted production expenditure</li> <li>- Budgeted mill improvement capital expenditure.</li> </ul> <p>The budget includes;</p> <p>CPO sale price/mt,</p> <p>PK sale price/mt</p> <p>FFB price/mt.</p>	Yes
4.6.3.1	<p>Topaz Emas established documentation for product purchasing.</p> <p>Quotation for purchasing chemical dated 01/11/2018. The quotation includes:</p> <ol style="list-style-type: none"> <li>1. Products.</li> <li>2. Price per unit.</li> <li>3. Total price.</li> </ol>	Yes
4.6.3.2	<p>Topaz Emas established contract agreement in between them as buyer and FFB dealers as seller. The contract agreement includes:</p> <ol style="list-style-type: none"> <li>1. Calculation of FFB price was based on MPOB recommendation.</li> <li>2. Acknowledgment by both parties.</li> </ol>	Yes
4.6.4.1	<p>Contract agreement between FFB suppliers with Topaz Emas Sdn Bhd is established and signed by both parties.</p>	Yes
4.6.4.2	<p>Contract agreements has reviewed between Topaz Emas Sdn Bhd and supplier. Sighted the contract agreements is signed and agreed by both parties.</p>	Yes

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.4.3	Topaz Emas established contract agreement for supplier includes the statements of MSPO audit requirements..	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.
	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

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

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

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

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

Non Conformity Number < 01 >			
<b>Indicator # and Description</b>	4.4.1.1 Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.		
<b>Location:</b>	Office		
<b>Description of Finding / Objective Evidence:</b>			
The monitoring plan is not established to promote the positive and mitigate the negative.			
<b>Classification</b>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor	
<b>Raise by:</b>	Cheong, Chun Yuen (Robert)	<b>Date Raise:</b>	21/08/2019
<b>Deadline for implementation</b>		21/09/2019	

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Non Conformity Number < 01 >	
<b>Root Cause Analysis (by company):</b>	
Communication breakdown within oil mill manager and respective personnel corresponding to the agenda had been taken in place or planned	
<b>Correction (by company):</b>	
Continuous Improvement Plan revised and amended by category for execution and monitoring	
<b>Corrective / Preventive Action (by company)</b>	
Oil mill manager & respective personnel shall be reporting to Management Representative from HQ by monthly meeting respectively on the social aspect	
<b>Review of Correction &amp; Corrective / Preventive Action</b>	
The revised CIP submitted is sufficient to address the proposed correction and corrective action is accepted. The effective implementation will be verify in the next audit.	
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Name of Auditor:</b> Cheong, Chun Yuen (Robert)	<b>Date of Closure:</b> 16/09/2019
<b>Review of Implementation</b>	
<b>Name of Lead Auditor / Auditor:</b>	<b>Date of Review:</b>

Non Conformity Number < 02 >	
<b>Indicator # and Description</b>	4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.
<b>Location:</b>	Office
<b>Description of Finding / Objective Evidence:</b>	
<ol style="list-style-type: none"> <li>During review of June payment to labour supply contractor, workers are paid based on daily rate instead of the minimum wage as stated in the contract. Therefore, this is inconsistent with the agreement.</li> <li>The management has not establish a mechanism to monitor the labour contractor pays the workers according to the minimum and any regulatory requirements stated in the agreement.</li> </ol>	
<b>Classification</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor
<b>Raise by:</b>	Cheong, Chun Yuen (Robert) <b>Date Raise:</b> 21/08/2019
<b>Deadline for implementation</b>	21/09/2019
<b>Root Cause Analysis (by company):</b>	
<ol style="list-style-type: none"> <li>Investigation been carried out within the oil mill manager &amp; respective personnel, incident happened upon request by the contract workers</li> <li>Management wasn't aware on outsource contract worker within service provider need to be established</li> </ol>	

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Non Conformity Number < 02 >	
<b>Correction (by company):</b>	
1. Elimination of daily rate basis and complying to monthly basis calculation 2. Immediately requested to service provider to furnish the contract within contract worker reflecting on our contract, monthly payslip expediting the EIS, SOCSO	
<b>Corrective / Preventive Action (by company)</b>	
1. Respective person shall be submitting the payroll to oil mill manger to be review & approve by HQ 2. The contract shall be review timely yet ensure service provider to submit the relevant documents by 15 <sup>th</sup> of every month by email & out into the loop of Management Representative from HQ	
<b>Review of Correction &amp; Corrective / Preventive Action</b>	
The proposed correction taken and corrective action with documents submitted is accepted. The effective implementation will be verify in the next audit.	
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Name of Auditor:</b> Cheong, Chun Yuen (Robert)	<b>Date of Closure:</b> 16/09/2019
<b>Review of Implementation</b>	
<b>Name of Lead Auditor / Auditor:</b>	<b>Date of Review:</b>

Non Conformity Number < 03 >	
<b>Indicator # and Description</b>	<b>4.4.5.10</b> Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.
<b>Location:</b>	Office
<b>Description of Finding / Objective Evidence:</b>	
During review on pay slip the foreign workers who works for night shift are not paid the allowance.	
<b>Classification</b>	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor
<b>Raise by:</b>	Cheong, Chun Yuen (Robert) <b>Date Raise:</b> 21/08/2019
<b>Deadline for implementation</b>	21/09/2019
<b>Root Cause Analysis (by company):</b>	
We found out that its happened due to payroll system wasn't capture the entitlement	
<b>Correction (by company):</b>	
1. Top management rectified the payment scheme and system referring to item no. 2 & no. 3 2. Letter of Night Shift Allowance Entitlement to Foreign Worker issued dated at 23 <sup>rd</sup> August 2019 3. Letter of Night Shift Allowance Scheme issued dated at 23 <sup>rd</sup> August 2019	



# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



Non Conformity Number < 03 >	
<b>Corrective / Preventive Action (by company)</b>	
The respective personnel shall submit the payroll to be review by the oil mill manager & approved by HQ	
<b>Review of Correction &amp; Corrective / Preventive Action</b>	
The proposed correction with documents submitted for review and corrective action plan is accepted. The effective implementation will be verify in the next audit.	
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Name of Auditor:</b> Cheong, Chun Yuen (Robert)	<b>Date of Closure:</b> 16/09/2018
<b>Review of Implementation</b>	
<b>Name of Lead Auditor / Auditor:</b>	<b>Date of Review:</b>

## Opportunity for Improvement

Nr.	Indicator	Location	Opportunity for Improvement
1.	4.1.1.1	Office	Management could consider to improve in delivering the MSPO input to all employees and stakeholders.
2.	4.1.2.1	Office	The management could consider to improve in addressing the findings raised in the internal audit.
3.	4.1.4.1	Office	The management could improve on the establish CIP for following: 1. Separate table for each scope to be monitored. 2. The monitoring of the outcome of the results.
4.	4.2.1.1	Office	Management could consider to cummunicate adequate information to all relevant stakeholders and improve on the list of stakeholders.
5.	4.2.1.2	Office	Management could consider to improve the language of understanding for different nationalities of workers.
6.	4.3.1.2	Office	The management could improve on the clauses applicable in the legal documents register.
7.	4.4.2.1	Office	The SOP could be improve to include the timeline when the complaint required the committee to resolve.
8.	4.4.2.3	Office/ Guard house	The management could improve the location of assessibility of the complaint form by workers and the public.
9.	4.4.4.2 (b)	All areas	The management could improve the HIRARC to include risk rating after additional controls and control timeline for completion.
10.	4.4.4.2 (i)	Office, workshop, boiler room	The management could improve on the first aid kits at workshop, boiler room and office area.

## MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit

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Nr.	Indicator	Location	Opportunity for Improvement
11.	4.5.1.1	Office	Management may consider to improve location of displaying policies.
12.	4.5.1.3	Office	Management may consider to improve to mitigate the negative impact and promote the positive.
13.	4.5.5.1 (b)	Office	Management may consider to improve on monitoring of quarterly wastewater.
14.	4.6.1.1	Office	Management could consider to improve the history of SOP
15.	4.6.4.1	Office	Them management may consider to improve the contract contents related to MSPO requirements.

## 5. CONCLUSION

Topaz Emas Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct Stage 2 Certification audit for its mill according to MSPO 2530-4:2013 Part 4 General principles for palm oil mills.

There is 1 Minor NC raise with action plan submitted and accepted. Minor NC raise in this audit will be verify in the next surveillance 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 standards of MS 2530-4:2013. Part 4.

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

Actual Certified CPO January to July 2019: 24,472.06 mt

Actual Certified PK January to July 2019: 8,126.67 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

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

Puchong, 01/11/2019



Ariff Bin Lokman  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 01/11/2019



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

## 7. LIST OF INTERVIEWEES

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

No.	Name	Organisation / Function
1.	Ong Chee Kong	Hok Huat Group
2.	Woo Kai Wah	Hok Huat Group
3.	Norasma Binti Zainol	SK Batu Hampar
4.	Ahmad Adzhar Bin Sulaiman	SK Batu Hampar
5.	Ahmad Fadzli	Balai Polis Padang Gajah

# MSPO Certification Summary Report

Company Name: Topaz Emas Sdn Bhd

Certifying Unit: Topaz Emas Sdn Bhd

Client Number: 92-125

Audit Type: Stage 2 – Certification Audit



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

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

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

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

Salvo clause:

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

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body.

Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

## Annex / Enclosures

Annex /  
corresponding audit documentation

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