

MY05105 Erajaya Synergy Sdn Bhd Audit Summary Report

Organization:	Erajaya Synergy Sdn Bhd		
Address:	<u>Erajaya Synergy Sdn Bhd</u> No. 1-9, Pusat Suria Permata, Lorong Upper Lanang 10 A, 96000 Sibu Sarawak <u>Daro Jaya Plantation</u> LPF 0031, Daro Division, 96250 Matu, Mukah, Sarawak. <u>Lepah Jaya Plantation</u> LPF 0031, Lepah Division, 96250 Matu, Mukah Sarawak <u>Maujaya Palm Oil Mill</u> Daro Jaya CPO Mill, LPF 0031, Daro Division, 96250 Matu, Mukah, Sarawak.		
Standard(s):	MS2530-3 Part 3: General Principles for Oil Palm Plantations and Organized Smallholders MS2530-4:2013 Part 4 : General Principles for Palm Oil Mills	Accreditation Body(s): Department Standards Malaysia (DSM)	
Representative:	Mr Stephen Wong (084-213255)		
Site(s) audited:	Daro Jaya Plantation Lepah Jaya Plantation Maujaya Palm Oil Mill	Date(s) of audit(s):	12-14 th November 2018
Visit Type:	MSPO Audit Stage 2	Type of certification assessment	Main Audit
Lead auditor:	Dickens Mambu (DM) (LA)	Additional team member(s): Audit Member (AM)	Abdul Khalik (AK) (AM)
This report is confidential and distribution is limited to the audit team, client representative and the SGS office.			

1. Audit objectives

The objectives of this audit were:

- to confirm that the management system conforms with all the requirements of the audit standard;
- to confirm that the organization has effectively implemented the planned management system;
- to confirm that the management system is capable of achieving the organization's policy objectives.

2. Scope of certification

The audit covered one site performing certification scope:

Production of Fresh Fruit Bunches (FFB) for Plantations in compliance to the MSPO Certification Standard MS2530-3:2013 Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	1 of 40	

Processing of Fresh Fruit Bunches (FFB) and Production of Crude Palm Oil (CPO) and Palm Kernel (PK) in compliance to the MSPO Certification Standard MS2530-4:2013 Part 4 : General Principles for Palm Oil Mills

The audit covered the MS 2530:2013 requirements particularly MSPO Certification Standard **MS2530-3:2013 Part 3 and MS2530-4:2013 Part 4**

Validation of processes for production and service provision

Has this scope been amended as a result of this audit? Yes No

This is a multi-site audit and an Appendix listing all relevant sites and/or remote locations has been established (attached) and agreed with the client Yes No

3. Current audit findings and conclusions

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

The structure of the audit was in accordance with the audit plan and audit planning matrix included as annexes to this summary report.

The audit team concludes that the organization has has not established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 4 Major 0 Minor

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

Granted / Continued / Withheld / Suspended until satisfactory corrective action is completed.

4. Previous Audit Results

The results of the last audit of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address any nonconformity identified. This review has concluded that:

- Any nonconformity identified during previous audits has been corrected and the corrective action continues to be effective.
- The management system has not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

5. Audit Findings

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives. The audit methods used were interviews, observation of activities and review of documentation and records.

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	2 of 40	

The management system documentation demonstrated conformity with the requirements of the audit standard and provided sufficient structure to support implementation and maintenance of the management system.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The organization has demonstrated effective implementation and maintenance / improvement of its management system.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Certification claims are accurate and in accordance with SGS guidance	<input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No

6. Significant Audit Trails Followed

The specific processes, activities and functions reviewed are detailed in the Audit Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

Organization:	Erajaya Synergy Sdn Bhd		
Address	<u>Erajaya Synergy Sdn Bhd</u> No. 1-9, Pusat Suria Permata, Lorong Upper Lanang 10 A, 96000 Sibu Sarawak <u>Lepah Jaya Plantation</u> LPF 0029, Kabang Division, 96000 Mukah, Sarawak. <u>Mau Jaya Plantation</u> LPF 0031, Lepah Division, 96250 Matu , Mukah Sarawak <u>Maujaya Palm Oil Mill</u> Daro Jaya CPO Mill, LPF 0031, Daro Division, 96250 Matu, Mukah, Sarawak.		
MPOB License No.:	Daro Jaya Plantation – No. 524362002000 Lepah Jaya Plantation – No. 52436002000 Maujaya Palm Oil Mill – No. 547281004000	Expiry date:	01/11/2018 – 31/10/2019 01/11/2018 – 31/10/2019 01/07/2018 – 30/07/2019
Scope of Activity:	Activities registered under the licence consist of : 1) Estate = <i>Menjual dan Mengalih</i> FFB 2) Mill = <i>Menjual dan mengalih</i> FFB, PK, CPO, SPO		

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	3 of 40	

	= Membeli dan Mengalih FFB, PK, CPO = Menyimpan PK, CPO, SPO = Mengilang FFB		
Date of certificate issued and validity		Nil (New Application)	
Other Sustainability Certification		Nil	
Proposed Date of Next Surveillance Audit		November 2019	
Visit Number:	02 (Stage 2)	Actual Visit Date:	12-14th November 2018
Visit Due by Date:	Nil	For auditor information only	
Lead Auditor :	Dickens Mambu (DM)		
Audit Member	Abdul Khalik Arbi (AK)		
Additional Attendees and Roles	NIL		
Standard(s):	MSPO MS2530-3:2013 Part 3: General Principles for Oil Palm Plantations and Organized Smallholders MS2530-4:2013 Part 4 : General Principles for Palm Oil Mills		
Audit Language:	English & Malay		
Audit Scope:	1.The audit covered Three (3) site performing the following scope: Operations, comprising of management systems, process of Fresh Fruit bunches (FFB), documentation and site assessment. 2.The audit covered all the MSPO 2530 Part 3 and 4 requirements with no permissible exclusion of clause in compliance to the standard document		

Date	Time	SGS Team	Organisational and Functional Units/ Processes and Activities	Key Contact
12 th November 2018	7.40am	DM / AK	Arrive Sibiu (from Kuching) Stay in Sibiu	DM /AK
	8.00am 9.00am 9.15am 9.30am	ALL	Daro Jaya Estate MSPO 2530:3: Estate Depart to Daro Jaya Estate Arrive Daro Jaya Estate Opening Meeting Audit Process (Document) <ul style="list-style-type: none"> • Principle 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and 	Mill Personnel

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	4 of 40	

ecosystem
services

Job / Cert. n°:	MY05105	Visit Type:	Stage 2	Visit n°:	01
Document:	Stage 2 (Darojaya, Maujaya, Lepah Jaya)	Issue n°:	Main Assessment	Page n°:	1 of 2

	4.00pm 4.30pm 5.00 pm		<ul style="list-style-type: none"> Principle 6: Best practices <p>Site Visit</p> <p>Mill site and Facility, environment components, safety and health requirement, Workers living conditions etc.</p> <p>Auditor meeting</p> <p>Audit Closing</p> <p>End of MSPO Audit Stage 2</p>	
	5.00 pm	DM/AK	Back to Daro Jaya Homestay	

Date	Time	SGS Team	Organisational and Functional Units/ Processes and Activities	Key Contact
13 th November 2018	7.30am	DM / AK	Breakfast	DM /AK
13 th November 2018	8.00am 9.00am 9.15am 9.30am	ALL	<p><u>Maujaya Palm Oil Mill</u></p> <p>MSPO 2530:4: Palm Oil Mill</p> <p>Depart to Maujaya Palm Oil Mill</p> <p>Arrive Maujaya Palm Oil Mill</p> <p>Opening Meeting</p> <p>Audit Process (Document)</p> <ul style="list-style-type: none"> Principle 1: Management commitment and responsibility Principle 2: Transparency 	Mill Personnel

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	5 of 40	

			<ul style="list-style-type: none"> • Principle 3: Compliance to legal requirements • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and ecosystem services 	
--	--	--	--	--

Job / Cert. n°:		Visit Type:	Stage 2	Visit n°:	01
Document:	Stage 2 (Maujaya Palm Oil Mill)	Issue n°:	Main Assessment	Page n°:	1 of 2

	4.00pm 4.30pm 5.00 pm		<ul style="list-style-type: none"> • Principle 6: Best practices <p>Site Visit</p> <p>Mill site and Facility, environment components, safety and health requirement, Workers living conditions etc.</p> <p>Auditor meeting</p> <p>Audit Closing</p> <p>End of MSPO Audit Stage 2</p>	
13 th November 2018	5.00 pm	DM/AK	Move to Lepah Jaya and Stay at Lepah Jaya	

Date	Time	SGS Team	Organisational and Functional Units/ Processes and Activities	Key Contact
14 th November 2018	7.30am	DM / AK	Breakfast	DM /AK
14 th November	8.00am	ALL	Lepah Jaya Estate MSPO 2530:3: Estate Depart to Lepah Jaya Estate	Mill Personnel

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	6 of 40	

	9.00am 9.15am 9.30am		<p>Arrive Lepah Jaya Estate</p> <p>Opening Meeting</p> <p>Audit Process (Document)</p> <ul style="list-style-type: none"> • Principle 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principle 4: Social responsibility, health, safety and employment condition • Principle 5: Environment, natural resources, biodiversity and ecosystem services 	
--	----------------------------	--	---	--

Job / Cert. n°:		Visit Type:	Stage 2	Visit n°:	01
Document:	Stage 2 (Lepah Jaya Estate)	Issue n°:	Main Assessment	Page n°:	1 of 2

	4.00pm 4.30pm 5.00 pm		<ul style="list-style-type: none"> • Principle 6: Best practices <p>Site Visit</p> <p>Mill site and Facility, environment components, safety and health requirement, Workers living conditions etc.</p> <p>Auditor meeting</p> <p>Audit Closing</p> <p>End of MSPO Audit Stage 2</p>	
14 th November 2018	7.40 pm	DM/AK	Back to Kuching (MH3694)	

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	7 of 40	

Location and Maps

Erajaya Synergy Sdn Bhd consist of 1 Palm Oil Mill and 2 Estates namely Lepah Jaya, Daro Jaya and Mau Jaya CPO Mill located 150KM from Sibu Sarawak.

Maps of the mill and estates are available in Figure 1-3.

The GPS locations of the estates and mill are shown in Table 1.

Table 1: GPS Location

No.	Mill	Location Address	Coordinates	Capacity (mt/hr)	
1	Maujaya Palm Oil Mill	Daro Jaya CPO Mill, LPF 0031, Daro Division, 96250 Matu, Mukah, Sarawak	5269707.479N 2204438.131E	60	
No.	Estate	Location Address	Coordinates	Total Hectare (ha)	Total Planted Area (ha)
2	Daro Jaya Plantation	LPF 0031, Daro Division, 96250 Matu, Mukah, Sarawak.	5265049.913N 2209585.131E	11,681	9,841
3	Lepah Jaya Plantation	LPF 0031, Lepah Division, 96250 Matu , Mukah Sarawak	5255710.804N 2191705.570E	5,149	4,149

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	8 of 40	

Figure 1: Location Map for Maujaya Palm Oil Mill

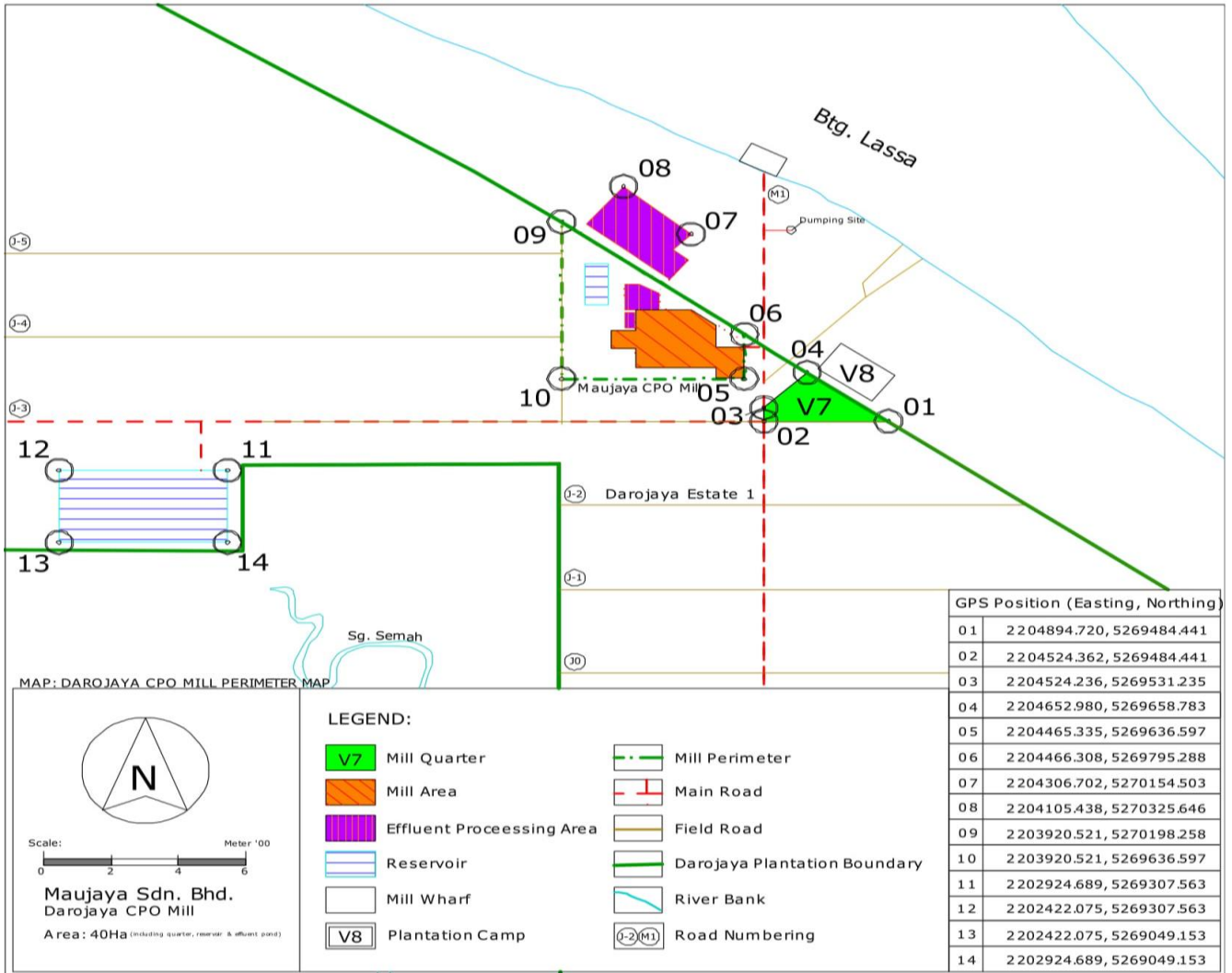
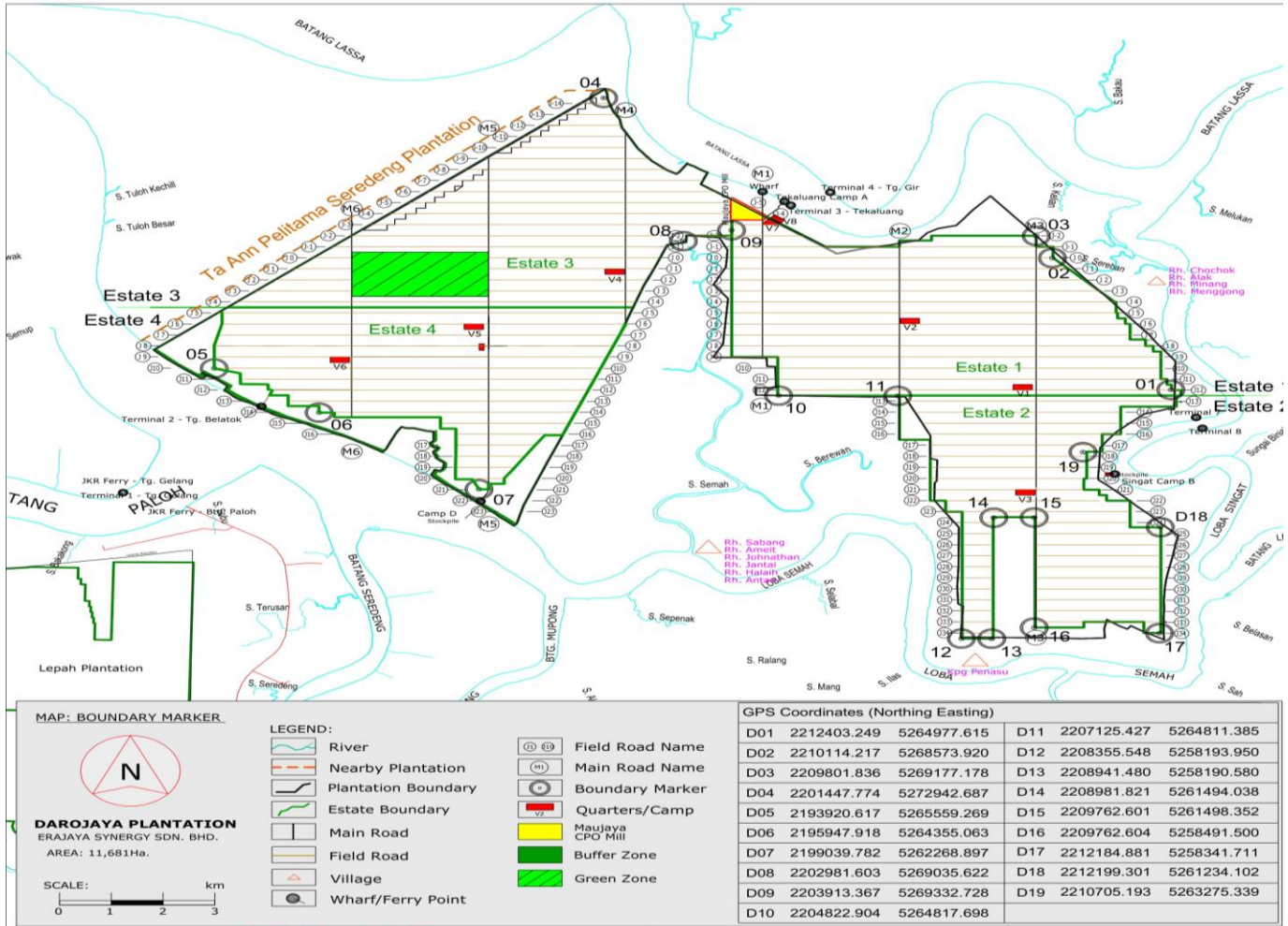
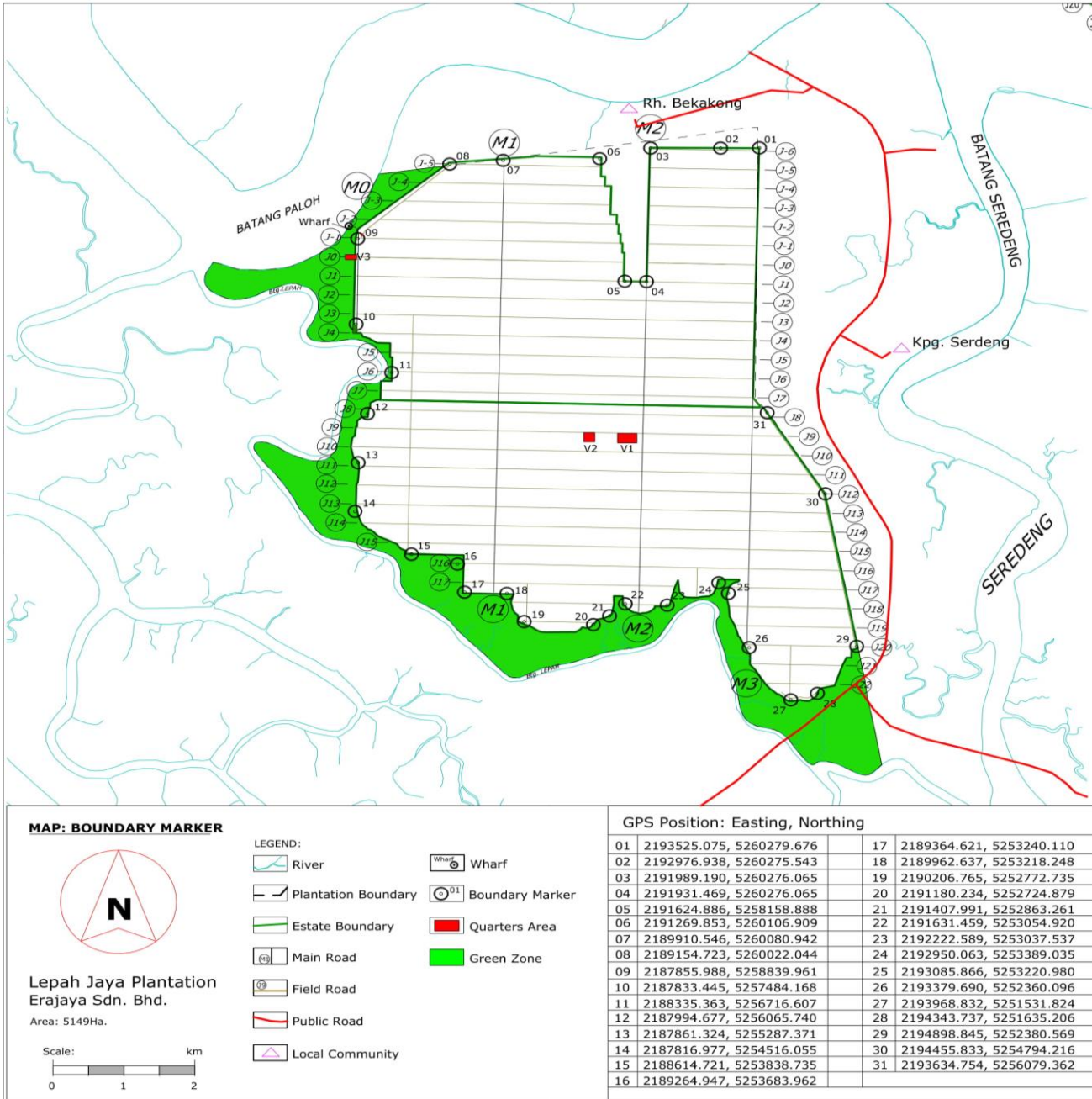


Figure 2: Location Map for Daro Jaya Estate



Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	10 of 40	

Figure 3: Location Map for Lepah Jaya Estate



Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A		Issue n°:	10	Page n°:	11 of 40

Description of Estate Production

The FFB are sourced from the estate which are individually managed by Erajaya Estate through its parent company Jaya Tiasa Group of companies. The crop yield from these estate is mention in **Table 2** below, CPO data in **Table 3** and Actual and Projected Mill Processing Data in **Table 4**.

Table 2: FFB Production

Month	Lepah Jaya		Daro Jaya	
	2018 (Actual)	2018 (projection)	2018 (Actual)	2018 (Projection)
January	3,838.46	4,500	8,212.17	12,400.00
February	3,311.90	4,800	6,973.39	11,600.00
March	3,208.44	6,100	9,288.44	13,300.00
April	4,390.79	6,500	11,554.61	14,700.00
May	4,628.52	7,000	13,153.48	15,800.00
June	4,430.31	7,500	12,291.95	16,600.00
July	5,501.56	8,600	15,490.53	18,663.45
August	5,926.15	8,600	18,723.60	19,029.06
September	5,810.07	7,700	18,461.42	18,175.96
October	4,912.68	6,100	15,162.27	16,595.93
November		4,700		14,444.87
December		4,200		12,609.91
Total		76,300		183,919.17

Table 3: CPO Production 2017 & 2018

Month	Mau Jaya CPO Mill		
	2017	2018	
		Projection	Actual
January	3,193.69	4,124	2,328.02
February	3,133.64	3,887	1,977.42
March	3,899.05	4,740	2,463.53
April	4,265.19	5,277	3,430.03
May	4,965.85	5,724	4,473.75
June	4,908.15	6,115	4,081.66
July	5,435.52	6,579	5,118.53
August	5,399.77	6,432	6,542.59
September	4,669.22	6,286	6,286.25
October	4,336.56	5,638	5,199.14
November	3,439.97	4,998	-
December	2,713.26	4,360	-
Total	50,359.87	64,160	-

Table 4: Actual and Projected Mill Processing Data

Mau JayaCPO Mill	Actual FY (2018)		Projected (FY 2018)	
	CPO (mt)	PK (mt)	CPO (mt)	PK (mt)
Own source	40,406	7,778	63,589	12,608
	OER: 18.10%	KER:3.48%	OER: 18.83%	KER: 3.73%

Stakeholder Consultation and List of Stakeholders Contacted

<https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/-/media/5918bcc172954c8ea5fef20f6a9125d5.ashx>

Stakeholder consultation took place in the form of meetings and interviews. Due to this is the main assessment, meetings with stakeholders were held in the respected estate office. Detail can be referred to **Appendix 2:**

Comment on MS2530-3 Compliance Status:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO</u> Erajaya Sdn Bhd is a subsidiary under Jaya Tiasa Holdings Berhad.</p> <p>An MSPO Policy statement has been established by the mother company. In the policy, the organization emphasizes on their commitment towards MSPO implementation as per required by MSPO Certification. The policy was established on 15th March 2016 signed by the Chief Executive Officer, Dato' Wong Sie Young.</p> <p>Darojaya Plantation, Lepah Jaya Plantation and Maujaya Palm Oil Mill are following the Jaya Tiasa main MSPO Policy.</p> <p><u>Internal Audit</u> <u>Daro Jaya Plantation</u></p> <p>Latest Internal audit report was evident during the time of audit. The internal audit was lead Mr Kevin Kong and assisted by 2 audit members namely, Ling Tek Shii and Ambrose Ho. Also sighted the Internal Audit Itinerary Plan that was prepared by Mr. Kevin Kong.</p> <p>Internal audit date : Daro Jaya Estate : 11-12th July 2018 Next Internal audit : June 2019 Issue raised: Schedule waste management to be properly documented and implement. Root Cause: Knowledge and awareness on scheduled waste management to be upgraded.</p> <p><u>Lepah Jaya Plantation</u></p> <p>Latest Internal audit report was evident during the time of audit. It was conducted from 25 – 26th July 20178 which covers from Principle 1 to Principle 6 from the MSPO Standard Part 3. The internal audit was lead Mr. Kevin Kong and assisted by 7 audit members namely, Ling Tek Shii, Ambrose Ho, Lim Con Hock, Ting Kang Huat, Kiu Kah Siong and Tony</p>
-------------------------------	---

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	14 of 40	

Tiong. Audit Itinerary Plan that was prepared by Mr. Kevin Kong.

Next internal Audit : July 2019

Issue raised: Handling of used chemical & Safety and health plan to be communicate and implement.

Root Cause : Lack of follow up & checkup of the document and implementation

Management Review

Daro Jaya Estate

During the audit, it was found that management review was done at Daro Jaya estate 3 office. The meeting involved by estate management from all regions and also management from HQ. The minute was recorded by MSPO Secretary, Ms Nursyahida Binti Abdul Rahman and approved by MSPO Coordinator Mr. Krisnan ak Alan

The Management review discuss:

- 1. Audit Report
- 2.Non conformity Raised
- 3.Root Cause analysis

Lepah Jaya Plantation

Observed based on the MSPO Meeting minutes, the estate management actively reviewing their performance in MSPO implementation. The management review conducted 8th October 2018.

The Management review discuss

- 1.Audit report
- 2.NCR raised during audit (internal and external)
- 3.Root Cause analysis

Continual Improvement

Jaya Tiasa has a procedure in managing continual improvement management plan to cater any opportunity for improvement in the future. The procedure was established in 13th April 2018 Ref. No. JTH-MSPO-12-v01.

Daro Jaya Plantation

The estate continual improvement plan consists of environment, social, store management, traceability, licensing etc. For Daro Jaya Estate, person in charge to monitor continual improvement is Mr Krisnin Alan

Lepah Jaya Plantation

The estate continual improvement plan consists of environment, social, store management, traceability, licensing etc. For Lepah Jaya Plantation,

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	15 of 40	

	<p>person in charge to monitor continual improvement is Ms Dorina Binti Mustapha & Ms Goretti Berendam</p>
<p>Comment on Principle 2</p>	<p><u>Transparency of documents relevant to MSPO requirements</u> The estate provides document communication and consultation, document no : JTH MSPO-04-SOP</p> <p>Since the MSPO implementation by the estate. Daro Jaya and Lepah Jaya has recorded every correspondence with relevant stakeholders namely "Request and Response Log sheet". All the communications evidences were available during the audit.</p> <p><u>Transparent method of communication and consultation</u> Both Daro Jaya and Lepah Jaya shared the same MSPO Communication and Consultation procedure, which was presented during audit.</p> <p>The procedure was prepared by Plantation Operations Senior Manager, Mr. Stephen Wong Ing Dung and approved by Plantation Operations Acting General Manager, Mr. Geoffrey Ngu Chu Hiong. The date of establishment is 1st April 2016.</p> <p>It was informed by estate management that the procedure has been communicated during stakeholders meeting</p> <p>Daro Jaya Estate Stakeholders Meeting : 15th April 2018</p> <p>Lepah Jaya Estate Stakeholders Meeting : 22nd June 2018</p> <p>Based on interview with Kampung Penasu (Daro Jaya Estate) community (Penghulu & JKKK) it was informed that the procedure was explain to them.</p> <p><u>Traceability</u> Procedure for Traceability had been established dated 5th June 2018 Ref No. JTH-MSPO-02-DJ Issue 1 Rev 1. During site visit, it was found the procedure is being practiced accordingly.</p> <p><u>Daro Jaya Estate</u> A person in charge had been appointed in order to maintain the continuity of traceability practice in the estates. Mr Boney ak Julau had been appointed for the responsibility for Daro Jaya Estate.</p> <p>During audit, evidence to show that the procedure has been follow accordingly :</p> <p>The Procedure start with</p> <p>Field Harvesting – Platform</p> <p>Example : Harvester Chit : 200885 (Harvester 3: 765 FFB)</p>

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	16 of 40	

	<p>Platform- Mill</p> <p>Ramp record : No 472891</p> <p>FFB : 765 (Field A 20)</p> <p>Ramp- Mill</p> <p>Mill Grading form : No 94067</p> <p>765 FFB : weight 6240 kg</p> <p>Mill will provide weighbridge ticket : No 0000094527</p> <p>Vehicle No : W102</p> <p>Record will be kept by Estate Admin Office</p> <p><u>Lepah Jaya Plantation</u></p> <p>A person in charge had been appointed in order to maintain the continuity of traceability practice in the estates. Ms Gorreti Berendam had been appointed for the responsibility for Daro Jaya Estate.</p>						
<p>Comment on Principle 3</p>	<p><u>Regulatory Requirements</u></p> <p><u>Daro Jaya Esatte</u></p> <p>The estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>a. Land Title</p> <ul style="list-style-type: none"> - 16,830 Ha - No: LPF /0031 - Total area Daro Jaya Plantation : 11,711 ha <p>Total Planted : 9841 ha</p> <p>Matured : 9841 ha</p> <p>b. Permit Barang Kawalan Berjadual (Diesel, Petrol)</p> <ul style="list-style-type: none"> - LB 220000 OT 2018 000074 <p>c. NREB Approval : (16) /NREB/6-4/253</p> <p>d. MPOB Licenses:</p> <ul style="list-style-type: none"> - FB Production: 524362002000 (Valid until 31st October 2019) <p><u>Lepah Jaya Estate</u></p> <p>e. Land Title</p> <ul style="list-style-type: none"> - 16,830 Ha - No: LPF /0031 - Total area Lepah Jaya Plantation : 5,149 ha <p>Total Planted : 4,096.82 ha</p> <p>Matured : 4,096.82 ha</p> <p>f. Permit Barang Kawalan Berjadual (Diesel, Petrol)</p>						
<p>Job n°:</p>	<p>MY 05105</p>	<p>Report date:</p>	<p>1.02.2019</p>	<p>Visit Type:</p>	<p>Main Assessment</p>	<p>Visit n°:</p>	<p>2</p>
<p>CONFIDENTIAL</p>	<p>Document:</p>	<p>GP 7003A</p>	<p>Issue n°:</p>	<p>10</p>	<p>Page n°:</p>	<p>17 of 40</p>	

	<ul style="list-style-type: none"> - LB 220000 OT 2018 000072 g. NREB Approval : (16) /NREB/6-4/253 h. MPOB Licenses: <ul style="list-style-type: none"> - FB Production: 524360002000 (Valid until 31st October 2019) <p><u>Land Use Rights</u></p> <p>The current land the plantation operating in is belong to Rejang Height Sdn Bhd. Erajaya Synergy Sdn. Bhd has been given authority to develop the area (16,830 ha) for oil palm plantation for a maximum period of 60 years. The land was divided into 2 divisions namely Lepah Jaya Division (5,149 ha) and Daro Jaya Division (11,711 ha). All the details can be seen reflected in an agreement dated 28th February 2003.</p> <p><u>Customary Rights</u></p> <p>There is no issue or encumbered by customary rights in the estates.</p> <p>Interview with Kampung Penasu, Kpg Sedau, Rh Wun and Kpg Serdeng community, there is no native customary issue in the estate.</p> <p>The estate will respond according to the Complaints/Grievance Mechanism should any cases arise in future.</p>
<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment</u></p> <p>Daro Jaya and Lepah Jaya Social Impact has been developed by Erajaya Synergy team from Jaya Tiasa Head Office.</p> <p>Social Impact Assessment (SIA) report is available that contains the followings:</p> <ul style="list-style-type: none"> - Introduction - Site Location and Size - Land Use - Human Environment - List of Stakeholders Nearby the Site - Stakeholders consultation with local communities (26th January 2018) - Survey Methodology - Identify Direct and Indirect Potential Impacts from operation - Mitigation Plan <p>The report showed that the social impact assessment has been conducted internally.</p> <p><u>Daro Jaya Plantation</u></p> <p>In addition, the audit team notes that the assessment has been conducted with consultation with local communities. The consultation with stakeholders were recorded in 9th November 2018. Participant are school, community (Tr Jonathan, Nangga Semah) and <i>Persatuan Ibu bapa dan Guru (PIBG)</i>.</p>

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	18 of 40	

Lepah Jaya Plantation

Social Impact Assessment for estate (2018) was made available at site.
Document no : 4.1 LPO -01-06

Social Impact Aspect assessment was made available.

Example of aspect impact sighted ;

1. Positive impact was available : Enhance cooperation with surrounding communities
2. Key Social Impact CSR was available.
3. Enhancement Cooperation with *Klinik Kesihatan Tanjung Manis*

Complaints and Grievances

Both Lepah Jaya and Daro Jaya shared same complaints and grievances procedure.

It is available in the Complaint and Grievances (Ref No.: JTH/ MSPO-03/DJ & JTH /MSPO-03/LJ). In addition, the procedure on work flow detailing the Grievance Procedure Mechanism is available in the document.

Details of complaints/grievances, date and details of action taken has been recorded in the "Complaint Record "

Commitment to contribute to local sustainable development

Daro Jaya Estate

Daro Jaya estate has provided record of CSR for the year 2018. The record was sighted at CSR estate file.

Among Record of CSR shown during audit :

1. Road Repair with villages
2. Request for Sand (material for field maintenance)
3. Donation to SK Ng Semah (Year End Donation)
4. Estate organize cleanliness programme among workers & Staff.
5. Provide water tank to workers
6. Donation fresh chicken meat for workers during Hari Raya
7. Donation for staff (family member passed away)
8. Donation for school (PIBG SK Nanga Semah)

It was observed that all CSR request was filed in CSR file with all request has been entertain by estate.

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	19 of 40	

Lepah Jaya Plantation

Among CSR recorded

1. Organize Clinic Health Surveillance
2. Provide transportation for school, SK Kpg Serdeng
3. Donation of hamper / food for school activities
4. Donation fax machine to Clinic Tj Manis
5. Building material for Sk Kp Serdeng

Employees Safety and Health

Erajaya Synergy Sdn Bhd has established a **Policy Statement on Environmental; Occupational Safety & Health Policy**. The policy has been signed by **Dato Wong Sie Young (CEO)** on **1st January 2017**.

The policy was followed by Daro Jaya and Lepah Jaya Plantation as part of its subsidiaries members.

The policy is displayed in the Estate Office. From briefing record, it was sighted that safety and health aspects has been communicated to all workers through briefing session (muster ground).

Record briefing sighted was in Daro Jaya 4 & Daro Jaya 3. The safety briefing includes policy, PPE and guidance on safety matters.

Safety and Health safety plan available include first aider, fire drill, training and safety meeting.

Lepah Jaya Plantation

Briefing on OSH policy was conducted on 26th April 2018. Record of briefing as sighted at estate office.

Employment Conditions

The policy on good social practices has been indicated in the “Good Social Practices Policy” established by the management of Erajaya Synergy Sdn Bhd.

Observed that the Policy has been signed by the Chief Executive Officer dated 15 March 2016.

Training and Competency

Observed that both Lepah Jaya and Daro Jaya employees are appropriately

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	20 of 40	

trained. Summary records of training provided are available in the following documents:

- 1) *Occupational Safety & Health (OSH) Training Programme and Planned Activities for Year 2018* – recorded all planned related to safety & health
- 2) *Estate Training Been Done FY2017/2018* – recorded all training conducted for all estate activities.

Details of training conducted for each activity has been recorded in the “Training Report”. The report contains information that includes topic covered, the trainer, date and attendees.

For year 2018 (July – November), examples the list of training conducted are as follows:

- 1) Chemical weeding / Slashing– (May) 2018)
- 2) Briefing How to Handle Insecticide Chemical – (September 2018)
- 3) Harvesting / Pruning /Transport – October 2018
- 4) Safety data Sheet training –may 2018
- 5) Function of SH committee – May 2018
- 6) 6.Nadopod – May 2018

All the above training has been conducted training by the MSPO Estate Coordinator & Safety Officer.

Comment on Principle 5

Environmental Management Plan

An Health, Safety & Environment Policy Statement is available during site visit and was signed by Dato’ Wong Sie Young (CHIEF EXECUTIVE OFFICER), Dated 1st January 2015

Daro Jaya Estate and Lepah Jaya Plantation

NREB EIA Approval Ref No.: (16) NREB/6-4/253 Dated 10th May 2004, The reference number was quote from EIA Approval, Name: Lower Rajang Oil Palm Plantation Under LPF/0031, Mukah Division, Sarawak. Environmental Impact Assessment report was conduct on November 2003.

It was observed the latest EMR 3rd Quarter 2018 (cover July to September), With reference No.: NREB/6-1/2E/23. Generally, some of the water qualities of the waterways around the Plantation had exceeded the Class IIB standards. These included the pH and DO levels and the BOD and COD levels at all the nine sampling points (Class III-V of the NWQSM). However, the low pH and DO and the high BOD and COD were fairly typical of the peat swamp discharges and they could not be regarded as the results of the present development. Hence, on this basis, no undue pollution was detected from the Plantation’s maintenance stage and it was observed that most of the environmental components were well maintained and in compliance to the NREB requirements.

Efficiency of energy use and use of renewable energy

Daro Jaya Estate

It was observed Records for consumption of diesel was available start from 2018, for the past year record not in placed, since estate commit with

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	21 of 40	

MSPO requirement one of the effort is to obtain diesel tank certificate with licence no.:LB22000OT201800074
Usage of diesel consumption list as below.

<u>Year</u>	<u>2017</u>	<u>2018*</u>
Actual	Nil	132,184.00
Budget	Nil	142,800.00
*as October 2018		

Lepah Jaya Plantation

It was observed Records for consumption of diesel was available start from 2018, for the past year record not in placed, since estate commit with MSPO requirement one of the effort is to obtain diesel tank certificate with licence no.:LB22000OT201800072

Usage of diesel consumption list as below.

<u>Year</u>	<u>2017</u>	<u>2018*</u>
Actual	Nil	516,344.00
Budget	Nil	606,000.00
*as October 2018		

Waste Management and Disposal

Daro Jaya Estate

All waste generated in the oil palm plantation are categorize as below:,

a) Domestic waste,

- It was observed the record of “*Buku Log Tapak Pengumpulan Sampah Domestik terkalung*” was make available in the estate.

b) Scheduled waste

It was observed there was Standard Operation Procedures (SOP) regarding the scheduled waste where it was available in the file name Policy, SOP and Safe Work Procedure, File Code: 4.4-DJ0-01-01, in item no. 2.9 (SOP of the Scheduled Waste). However, during site inspection at the scheduled waste store, it was observed there was no proper labelling as per requirement in the Environmental Quality Act 1974.

c) Miscellaneous waste (solid waste)

The solid waste for this estate was dump at Block A42 with coordinate number 2208378.382, 5265732.604

Lepah Jaya Plantation

It was observed the estate management managed to identify all waste products in the estate area. It was divided into several categories such as:

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	22 of 40	

	<ul style="list-style-type: none"> i. Field operation <ul style="list-style-type: none"> - Harvesting - Pruning - FFB Loading - Manuring - Loose Fruit Collection ii. Pest and Disease Control <ul style="list-style-type: none"> - Pest & Disease - Weeding iii. Road & Drain Maintenance <ul style="list-style-type: none"> - Drain desilt - Bridge repaired - Road grading - Upkeep road iv. Workshop <ul style="list-style-type: none"> - Maintenance & servicing - Mechanical, welding & spare part v. Store <ul style="list-style-type: none"> - Use of fertilizer chemical - Use of chemical for pesticides - Insecticides - Herbicides vi. Living quarters <ul style="list-style-type: none"> - Waste management - Drainage - Sewage - Fogging - Use of electricity vii. Office <ul style="list-style-type: none"> - Waste management - Use of electricity - Use paper - Fogging <p><u>Reduction of pollution and emission</u></p> <p>It was observed there was several pollution during the site visit. The pollution occurred as oil leakage at the genset area.</p> <p><u>Lepah Jaya Plantation</u></p> <p>It was observed the estate management managed to identify the waste products.</p> <p><u>Natural Water Resources</u></p> <p><u>Daro Jaya Estate and Lepah Jaya Plantation</u></p> <p>It was observed the water management plan was made available in the estate.</p> <p>It was observed the report of water quality sampling show in generally, some of the water qualities of the waterways around the Plantation had exceeded the Class IIB standards. These included the pH and DO levels and the BOD and COD levels at all the the nine sampling points (Class II-V of the NWQSM), However, the low pH and DO and the high BOD and COD</p>
--	---

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	23 of 40	

	<p>were fairly typical of the prat swamp discharges, and they could not be regarded as the resultsof the present development. It was noted that the TSS levels at all ponts were detected low and well below the Class I limit of 25 mg/l.</p> <p>Status of rare, threatened, or endangered species and high biodiversity value area</p> <p><u>Daro Jaya Estates and Lepah Jaya Plantation</u></p> <p>The management aware regarding the rare, threated or endangered species and high biodiversity.</p> <p><u>Major 1</u> <u>Principle 4.5.1.3</u> The environmental improvement plan was not effectively implemented.</p> <p>It was identified, form for inspection (Doc No : T343 MIC-MSPO Inspection Checklist) was not been utilised.</p> <p><u>Major 2</u> <u>Principle 4.5.1.5</u> Implementation of awareness on environmental issue is still lacking.</p> <p>During field visit to staff house. It was observed used oil for motorcycle was not properly disposed.</p>
<p>Comment on Principle 6</p>	<p><u>Site Management</u></p> <p><u>Daro Jaya Estate</u> Procedures available: 1. MSPO Good Agricultural Practice Issue 1 Rev. Prepared by Plantation Operation Manager, Mr. Kevin Kong Nieng Kie. Issue date: 1st April 2016. - Harvesting - Pruning & Sanitation - Manuring - Weeding - Pest & Disease - Water Management - Roads 2. Oil Palm Estate Standard Operating Procedures 3. Waste management plan - Domestic waste - Scheduled waste - Miscellaneous waste (Solid waste)</p> <p><u>Economic and Financial Viability Plan</u></p> <p><u>Daro Jaya Estates</u></p> <p>It was observed the operation budget, activity programme FY Year 2019 was made available in the estate. It can be verified in Operation Budget,</p>

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	24 of 40	

Plans and Programs with File code.: 6.2-DJ0-01-01

Budget for both estates were presented during the time of audit.

The budget included:

- FFB Sale
- LF Sale
- Profit and Loss Statement
- Expenditure and cost

Lepah Jaya Plantation

It was observed the operation budget, activity programme FY Year 2019 was made available in the estate. It can be verified in Operation Budget, Plans and Programs with File code.: 6.2-LP0-01-01

Budget for estate were presented during the time of audit.

The budget included:

- FFB Sale
- LF Sale
- Profit and Loss Statement
- Expenditure and cost

Transparent and fair price dealing

Not applicable.

The pricing mechanism is set by Marketing Department.

Contractor

Daro Jaya Estates

There are contract agreements with contractors but there is a need to include the special clause on MSPO.

The list of contractors:

- i. Empire Harvest Enterprise Sdn Bhd (Block maintenance. Please refer letter dated 15th October 2018 sign by Dato' Wong Sie Young (Chief Executive Officer).

Lepah Jaya Plantation

It was observed there was clause of MSPO requirement stated in agreement between Lepah Jaya Plantation and Kek Kiong Transport.

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	25 of 40	

Comment on MS2530-4 Compliance Status:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u> Jaya Tiasa Holdings Berhad has established a policy on sustainable palm oil production. The statement is evident in section “is committed to complying with the requirements of Malaysian Sustainable Palm Oil (MSPO) Standards”.</p> <p>The policy has been signed by Dato’ Wong Sie Young, Chief Executive Officer of Jaya Tiasa Holdings Berhad on 15 March 2016.</p> <p><u>Internal Audit –</u> Noted Jaya Tiasa Holdings Berhad had established MSPO Internal Audit Procedure which is prepared by Plantation Operations Manager, Mr. Kevin Kong Nieng Kie and approved by the Plantation Operations Acting General Manager, Mr. Geoffrey Ngu Chu Hiong. The procedure was established in 1st April 2016.</p> <p>The purpose of the procedure was to describe the methods for planning and conducting internal audit. It can be verified in File Daro Jaya CPO mill File Code: 1.2-M-DJ1-02-02, File name: MSPO Internal Audit Report in Sub title SOP internal audit. The audit plan was sighted, which cover 2017 till 2019.</p> <p>Latest Internal audit report was evident during the time of audit. It was conducted from 11th – 12th July 2018 which covers from Principle 1 to Principle 6 from the MSPO Standard Part 4. The internal audit was lead Mr. Kevin Kong and assisted by 2 audit members namely, Ling Tek Shii and Ambrose Ho. The next internal audit scheduled for Maujaya Palm Oil Mill (MPOM) will be in June 2019. Also sighted the Internal Audit Itinerary Plan that was prepared by Mr. Kevin Kong. There was 2 NCs was raised.</p> <p>Sampled Internal Audit Findings:</p> <ul style="list-style-type: none"> i. No record of waste management plan ii. No water management plan available for verification <p><u>Management Review –</u> It was observed the latest management review report was conduct on 20th August 2018, regarding the findings from MSPO internal audit section. The meeting was discuss regarding the finding raised during the internal audit. It can verified in File Daro Jaya CPO Mill File code 1.3-</p>
-------------------------------	--

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	26 of 40	

	<p>M-DJ1-02-01, MSPO Management Meeting.</p> <p>From the meeting minute, sighted the management had discussed on the internal audit findings raised.</p> <p>All the corrective action had been carried out within 30 days as per organization's Internal Audit Procedure.</p> <p><u>Continual Improvement -</u></p> <p>It was observed the action plan for continual improvement was observed in file</p> <p>People</p> <p>The training to improve human skill was sighted in File Training record, Mill Daro Jaya CPO Mill, File Code 4.6-M-DJ1-02-03. The training conduct was "<i>Bahagian Penyelenggaraan</i>" at Daro Jaya CPO Mill Conference room, which attend by 40 attendees.</p> <p>Planet</p> <p>The mill management had taken necessary action to ensure continual improvement regarding environment taken place, it can verified in File Daro Jaya Mill, 5.3-M-DJ1-02-04, Environment Document. Details of the continual plan list as below:</p> <p>i. Title: Environmental Continual Improvement Plan 2018, dated 03.07.2018.</p> <p>It consist of several issues highlighted such as:</p> <p>a. Air pollution Letter dated: 7th September 2015, "<i>Pematuhan kedhendak Peraturan-peraturan Kualiti Alam Sekeliling (Udara Bersih)</i>" 2014. Installation of "<i>Kawalan pencemaran udara untuk boiler dan incinerator EFB yang tepasang di kilang</i>".</p> <p>b. Water pollution</p> <p>c. Air pollution</p> <p>d. Soil and water pollution</p> <p>e. Soil pollution</p> <p>Jaya Tiasa just finalized a new procedure in managing continual improvement management plan to cater any opportunity for improvement in the future. The procedure was established in 2nd October 2018 Ref. No. JTH-MSPO-12-v02. In the file Daro Jaya CPO Mill, File Code: 1.3-M-DJ1-02-01, MSPO Management Meeting.</p>
<p>Comment on Principle 2</p>	<p><u>Transparency of documents relevant to MSPO requirements –</u> No records of requests and responses.</p> <p>It was observed the land use right was make available during audit</p>

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	27 of 40	

	<p>conduct. It show Power of Attorney between Rejang Height Sdn Bhd (Co.No.325930-H) and Erajaya Synergy Sdn Bhd (Co.No.624638-M).</p> <p>Safety and Health Plan was made available for year 2018. It can be verified in Daro Jaya CPO Mill, File Code: 4.4-M-DJ1-02-19, Safety Training Record. Evidence of training conduct regarding Personnel Protective Equipment (PPE) on 27th July 2018 at Daro Jaya CPO Mill, time: 10.00 – 11.00 am which attend by 30 attendees.</p> <p><u>Transparent method of communication and consultation</u> – MSPO Communication and Consultation procedure was presented during the audit. Ref no. JTH-MSPO-04-SOP-MSPO Consultation and Communication. Version 1.0 (BM). Dated 15th March 2018.</p> <p>Appointment letter for MSPO Communication and Consultation Officer dated 1st January 2018, Maujaya Mill Manager, Mr. Tang Dung Ngie. Appointed by Chief Executive Officer, Dato’ Wong Sie Young.</p> <p>Stakeholder Lists divided into 2 lists. Namely Internal and external:</p> <p>Internal: Executives, Staffs and station workers. Last updated on 25th June 2018.</p> <p>External: Statutory Bodies, Suppliers, Local Community, KCP and Refinery, Sister Estates. Dated 5th November 2018.</p> <p><u>Traceability</u> – An SOP of traceability had been established by Darojaya CPO Mill namely Traceability Issue 1 – Rev 0. It was established on 22nd May 2018 by Process Supervisor, Christina Julia Ak Gayang and approved by the mill manager dated 1st August 2018.</p> <p>As evidence In/out FFB Dated 31st October 2018 Grading form ticket no.93526: 1,910kg teli with weighbridge advice ticket serial no.: 0000093463</p> <p>PK In/out PK Vehicle No.: SSA6877A Serial No ticket: 0000094051 Weight: 29,870kg</p> <p>Vehicle No.: QSW8595 Serial No ticket: 0000094049 Weight: 26,030kg</p>
--	--

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	28 of 40	

	<p>Both of ticket date 7th November 2018 and authorized by Mr. Jason Wong (Steam Engineer).</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements</u> – Legal Register was sighted available during the time of audit. it was last updated on 6th February 2018 by Mr. Ting Kang Huat. Observed, requirements from Environment Mainstreaming Tool was not included in Legal Register</p> <p>Appointment Letter for Legal Person in Charge: Mr. Jason Wong Nguong Zhen Effective date: 29th March 2018</p> <p>Current practice, any changes in laws and regulations will be monitored at HQ Level by Mr. Ting Kang Huat. He will then review and update legal register at least once a year or when needed and disseminate to the operating units.</p> <p><u>Legal land use rights</u> – Mill shares the same land title as Daro Plantation (Daro and Lepah Divisions) LPF/0031. Below is the breakdown</p> <p>Total hectare: 16830 ha. Mill Hectare: 40 ha.</p> <p>The mill is located within Daro Jaya 1 Estate. ELPF 24</p> <p>Major 3 Principle 4.3.1.1 Legal compliance is found lacking : Sarawak labour Ordinance : 76 : Prohibition of Night work. It was identified that two women worked as operator during night shift. The permit for women to work at night was un available.</p>
<p>Comment on Principle 4</p>	<p><u>Social Impact Assessment</u> – Maujaya Palm Oil Mill (MCPOM) has presented the Social Impact Assessment dated 2018</p> <p>Social Impact Assessment (SIA) report is available that contains the followings:</p> <ul style="list-style-type: none"> - Introduction - Site Location and Size - Land Use - Human Environment - List of Stakeholders Nearby the Site - Survey Methodology - Identify Direct and Indirect Potential Impacts from operation (negative and positive)

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	29 of 40	

	<ul style="list-style-type: none"> - Mitigation Plan - Monitoring and Review - Appendix 1: Stakeholders list - Appendix 2 : Stakeholders meeting update) <p>MCPOM stakeholders meeting with smallholders was conducted on 4th July 2018.</p> <p>Among issue discuss during the meeting with Primula Gemilang,</p> <ol style="list-style-type: none"> 1.Mill FFB Grading Management 2.Sustaianbility Practices 3.Environment Component <p><u>Complaints and Grievances</u> Complaints and grievance and procedure was made available in the SOP. Currently no complaints record.</p> <p><u>Commitment to contribute to local sustainable developments –</u> From Mill record, positive impacts are in term of job employment given to the communities in term of contractor, supplier and staff.</p> <p>Local development in the area sighted are</p> <ol style="list-style-type: none"> 1. road connection to the nearby community 2.Ferry service to cross Batang lassa <p>Both this contribution give assess to the surrounding communities on their agriculture development and crop planting.</p> <p><u>Employees safety and health–</u> Safety and health policy was established by Jaya Tiasa Holdings Berhad.</p> <p>As subsidiaries of the group, Maujaya Palm Oil Mill also bound to the policy.</p> <p>The policy was signed on 1st January 2017 by CEO Dato Wong Sie Young.</p> <p>From the record, the policy has been briefed to the employees on 18th April 2018. Total 106 participant attended.</p> <p><u>Employment conditions –</u> The policy on good social practices has been indicated in the “Human Right Policy” was established.</p> <p>Observed that the Policy has been signed by the Chief Executive Officer</p>
--	--

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	30 of 40	

	<p>Date signed : 15th march 2016</p> <p><u>Training and competency –</u> The plan known as ‘Annual Training Programme 2017 / 2018 ‘ cover the following:</p> <p>There are several topics listed that include:</p> <ol style="list-style-type: none"> 1.OSH Policy 2.Safety in laboratory 3.Chemical handling and storage 4.PPE Training 5.Training on safety data sheet 6.Hooklift safety 7. Log –out / Tag-out 8.Training working at height 9.Training OSH Nandopod regulations 10>Training OSH Safety committee 11. Training on hearing conservation 12.Training OSH confine space 13.Training CHRA 14.Training genset and maintainennce 15. Training response and preparedness plant 16.Training fire fighting 17. Training pasukan keselamatan dan kebakaran 18.Training First aid <p>Major 4 Principle 4.4.4.2 It was identified safety and health plan still lacking on safe working practices. 1. It was identified that night shift working risk was unavailable, even though the mill practice two shift. 2. There was also no emergency light observed and risk for workers that worked at night shift was also not assessed.</p>
<p>Comment on Principle 5</p>	<p><u>Environmental management programme –</u> The management has provided Health Safety & Environment Policy Statement which sign by top management Dato’ Wong Sie Young (Chief Executive Officer) dated 1st January 2017.</p> <p>The policy commits to achieve environmental sustainability by</p> <ol style="list-style-type: none"> 1. Developing and improving health, safety and environment (HSE) programs and procedures to ensure compliance with all applicable laws and regulations. 2. Protecting the safety and health of all members of the company and others who may be affected by the work carried out. 3. Preventing work-related fatalities, disabilities, injuries, ill

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	31 of 40	

	<p>health, diseases, property and environmental damage and near misses.</p> <ol style="list-style-type: none"> 4. Providing all types of pollution by establishing and implementing the necessary environmental programs. 5. Preventing all types of pollution by establishing and implementing the necessary environmental programs. 6. Ensuring that employees and their representatives are consulted and encouraged to participate actively in all matters related to HSE. 7. Identifying and providing relevant training to enable employees to perform their work safely and efficiently while ensuring environmental impacts are minimized. 8. Communicating the policy to all employees, interested parties and persons working for or on behalf of the company. 9. Continually improving the performance of the HSE management system. <p>The management had taken necessary action to review the policy to ensure applicable for current condition. However, checklist for review the policy is not applicable, since it already update from 2015 to 2017. It seem not proper way to review and acknowledge the policy.</p> <p>The management has provided continual improvement plan for Lassa CPO Mill for 2017-2019. The management</p> <p>For improvement plan, time frame given to accommodate this plan is until December 2019.</p> <p>Item incorporate in the plan are</p> <ol style="list-style-type: none"> 1. Decanter cake disposal: Degraded/ decompose decanter cake to be mixed with bunch ash, boiler ash and sludge cake from belt to produced organic fertilizer for estate usage. <p>Evidence: The record of bunch ash was available since 2016 to till October 2018. The document record can be verified in file Bunch Ash Production & Dispatch/ Sells.</p> 2. To install functional flow meter at domestic pipeline to quantify the daily water usage. 3. To Install flow meter at Water Treatment Plan (WTP) for raw water inlet to quantify the amount of raw water treated at WTP daily <p>Evidence: the management has shown the record of daily water reading for raw water, domestic, process and boiler since October 2018. It can be verified in Water Management Plan File.</p>
--	--

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	32 of 40	

Efficiency of energy use and use of renewal energy –

The management has provided Improvement Plan which included biogas project to capture biogas for power generation and to reduce the release of methane gas into atmosphere (2018 Improvement plan)

On the Energy Optimization Plan, the management has provides diesel consumption record that shows diesel usage/ FFB record

Diesel usage

Usage of Diesel (Liter)

Year	Actual	Budget
2016	636,685	-
2017	577,978	600,000
2018	As Oct	
	295,438	456,000

FFB record (mt)

Year	Actual	Estimate
2016	213,791	-
2017	274,188	-
2018	As Oct	
	231,529	-

Water consumption record

The water consumption was available March 2018 the record show

January: 21,520 m³

February: 18,630 m³

March: 21,190 m³

April : 26,170 m³

May : 32,380 m³

June: 29,210 m³

July: 36,550 m³

Aug: 40,730 m³

Sept: 42,330 m³

Oct: 36,200 m³

The management provides

1.Monthly water consumption record

2. Based on interview with maintenance department the latest Water Tank Cleaning Record was on 6th May 2018. Maintenance for Wooden Block A, C, D, E and F, Block G, H, I and J. The record can be verified in Maujaya Palm Oil Mill Daro Jaya CPO Mill Rekod Mencuci Tangki Air.

Waste management and disposal

The management had taken necessary action by identified the all waste products and sources of pollution. Types of waste that had been identified list as below:

- 1) Domestic waste
- 2) Scheduled waste
 - SW 305 Spend lubricant Oil
 - SW 102 Waste batteries
 - SW 306 Spend hydraulic oil
 - SW 409 Disposed contaminated containers, drums or bags
 - SW 410 Rags, plastics, filters contaminated with scheduled wastes
 - SW 404 Clinical wastes)
- 3) Miscellaneous waste (Solid wastes)
 - Used tyres
 - Scrap metal
 -
- 4) Industrial Waste
 - Palm Kernel Shell (PKS)
- 5) Empty Fruit Bunches (EPBs)
- 6) Palm Oil Mill Effluent (POME)
- 7) Decanter Cake
- 8) Palm Press Fibre (PPF)

CHRA: 15th October 2014, conducted by Emily Loh Ming Chii (CHRA Assessor: JKPP HIE 127/171-2(199)).

The Management provided map on Rubbish Pits Location at Block A42. Based on site inspection on site, it was observed the empty M-oil container spotted in the dumping site

Reduction of pollution and emission –

The management has provided :

1. Environment Monitoring report (stack- latest 2nd Half 2017)

Stack Emission (Boiler No.2) and Incinerator (No.1 and No.2) Monitoring Report. However, some of syarat-syarat pematuhan not implemented such as Pengurusan/ Kawalan Pencemaran Udara item.no 18: Perlepasan kelegapan asap hitam dari cerobong hendaklah tidak melebihi had yang ditetapkan dibawah Peraturan 12, Peraturan-peraturan Kualiti Alam Sekeliling (Udara Bersih) 2014.

Based on Approval from DoE item 15. Pengukuran pelepasan bendasing

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	34 of 40	

dari cerobong hendaklah dibuat dua (2) kali dalam setahun dan mematuhi kaedah yang telah ditetapkan dibawah Malaysian Standards for Air Pollution Control, MS 1596:2003 dan laoproan hendaklah dikemukakan kepada JAS Cawangan Sibul.

However, the latest report for monitoring 2018 was not available

Natural water resources –
 It was observed the water management plan was available in Water Management Plan file 2018. The report covers water extraction from industrial and domestic uses and wastewater discharges. The plan has been developed in compliance with regulatory requirement that needs to be followed by mill in order for better water conservation, utilization and control of water pollution in the oil palm mills.

The accredited laboratory was appointed to analysis the drinking water and will start within this year 2018. Quotation already obtain BP lab, target to conduct this year 2018.

The monitoring of the implementation of water management plan is overall done by the mill Manager.

Comment on Principle 6

Mill management –
 Procedures available:
 1. Good Milling Process covering General Process, Ramp Operation, Sterilization, Threshing, EFB Pressing, EFB Discharge, Digestion & Pressing, Oil Clarification, CPO Storage, Kernel Recovery, PK Storage, Boiler and Engine House Operation and Maintenance prepared by Mill Manager, Mr. Abdul Karim Bin Sahni and approved by COO Milling Operation, Mr. Teoh Kheng Hock. The document was last updated on 2nd April 2018.

Apart from that, Safety Standard Operation Procedure had also been established by the Safety Executive, Pn. Asmarina Binti Asim.

Transparent and fair pricing dealing –
 The mill management receives FFB from internal estate and also from smallholder.

Total registered with Daro Jaya CPO mill list as below:

- 1.) Daro Jaya Estate 1, 2, 3 & 4
- 2.) Sawai Estate 1, 2 & 3
- 3.) Lepah Estate 1 & 2
- 4.) Primula Gemilang Sdn Bhd

Pricing mechanism:
 The pricing mechanism for Daro Jaya CPO Mill is set by HQ;
 1.The FFB price is calculated with reference to MPOB published CPO,PK and CPKO prices, based on Pen. Malaysia Average.

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	35 of 40	

	<p>2.Oil extraction rate and kernel extraction rate for each grading will be considered</p> <p>3.Ex-Mill prices will be less with Fixed distribution cost, MPOB Cess 2000, MPOB Cess 2001 & Sarawak Sales Tax, in line with industry practices and market rate).</p> <p><u>Contractor</u> – All payments done at HQ level.</p>
--	--

7. Nonconformities

MS2530-3:2013 Part 3

NonConformity	N° 1 of 4		Major 1			
	Date Recorded>	14/11/2018	Due Date>	14/01/2019	Date Closed>	1.01.2019
Department / Function:	Administrative		Standard Ref.: Indicator		MS2350-Part 3 4.5.1.3	
Document Ref.:	Criterion 5:		Issue / Rev. Status:		Closed	
Details of Nonconformity:	The environmental improvement plan was not effectively implemented.					
Objective Evidence:	It was identified, form for inspection (Doc No: T343 MIC-MSPO Inspection Checklist was not been utilised.					
Close-out evidence:	<p>1. Action to use the doc no. T343 MIC-MSPO Inspection Checklist for inspection record.</p> <p>Appendix A-1 for record implementation at Daro Jaya.</p> <p>Appendix A-2 for record implementation at Lepah Jaya.</p>					

NonConformity	N° 2 of 4		Major 2			
	Date Recorded>	14/11/2018	Due Date>	14/01/2019	Date Closed>	1.01.2019
Department / Function:	Administrative		Standard Ref.: Indicator		MS2350-Part 3 4.5.1.5	
Document Ref.:	Criterion 5:		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Implementation of awareness on environmental issue is still lacking					
Objective Evidence:	During field visit to staff house. It was observed used oil for motorcycle was not properly disposed.					
Close-out evidence:	<p>a. Conduct awareness training to workers on 19.11.2018 Appendix A-3 – Training notice and Attendance List, Appendix A-4 – Photo</p> <p>b. Conduct awareness training on used M-oil proper disposal after motor servicing for TKI workers on 22.11.2018 Appendix A-5 – Training notice and attendance List, Appendix A-6 – Photo</p>					

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	36 of 40	

MS2530-4:2013 Part 4

NonConformity	N° 3 of 4		Major 3			
	Date Recorded>	14/11/2018	Due Date>	14/01/2019	Date Closed>	1.01.2019
Department / Function:	Administrative		Standard Ref.: Indicator		MS2350-Part 3 4.3.1.1	
Document Ref.:	Criterion 3:		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Legal compliance is found lacking : Sarawak labour Ordinance : 76 : Prohibition of Night work					
Objective Evidence:	It was identified that two women worked as operator during night shift. The permit for women to work at night was un available.					
Close-out evidence:	<ol style="list-style-type: none"> 1. Management memo of prohibit female workers to work on night shift. (Appendix B-5) 2. Memo to female staff, Yananti Binti Jaya and attendance evidence support (Appendix B-6) 3. Memo to female staff, Izatulnisa Binti Hadenan and attendance evidence support (Appendix B-7) 					

NonConformity	N° 4 of 4		Major 4			
	Date Recorded>	14/11/2018	Due Date>	14/01/2019	Date Closed>	1.01.2019
Department / Function:	Administrative		Standard Ref.: Indicator		MS2350-Part 3 4.4.4.2	
Document Ref.:	Criterion 4:		Issue / Rev. Status:		Closed	
Details of Nonconformity:	It was identified safety and health plan still lacking on safe working practices					
Objective Evidence:	1. It was identified that night shift working risk was unavailable, even though the mill practice two shift. 2. There was also no emergency light observed and risk for workers that worked at night shift was also not assessed.					
Close-out evidence:	<ol style="list-style-type: none"> 1. Produced HIRARC for night shift (Appendix B-1) 2. Attendance List for Review HIRARC (Appendix B-2) 3. Emergency light layout plan at mill (Appendix B-3) 4. Installation of emergency light inside mill (Appendix B-4) 					

Nonconformities detailed here shall be addressed through the organization's corrective action process, in accordance with the relevant corrective action requirements of the audit standard, including actions to analyse the cause of the nonconformity and prevent recurrence, and complete records maintained.

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	37 of 40	

- Corrective actions to address identified major nonconformities shall be carried out immediately and SGS notified of the actions taken within 30 days. An SGS auditor will perform a **follow up visit** within 60 days to confirm the actions taken, evaluate their effectiveness, and determine whether certification can be granted or continued.
- Corrective actions to address identified major nonconformities shall be carried out immediately and **records with supporting evidence sent to the SGS auditor** for close-out within 60 days.
- Corrective Actions to address identified minor non conformities shall be documented and sent by the client to the auditor within 9 months before next schedule annual surveillance for review. If the actions are deemed to be satisfactory they will be followed up at the next scheduled visit.
- Corrective Actions to address identified minor non-conformities have been detailed on an action plan and the intended action reviewed by the Auditor, deemed to be satisfactory and will be followed up at the next scheduled visit.
- Appropriate immediate action taken in response to each non-conformance as required.

Note:- Initial, Re-certification and Extension audits – recommendation for certification cannot be made unless check box 4 is completed. For re-certification audits the time scales indicated may need to be reduced in order to ensure re-certification prior to expiry of current certification.

Note: At the next scheduled audit visit, the SGS audit team will follow up on *all* identified nonconformities to confirm the effectiveness of the corrective actions taken.

8. General Observations & Opportunities for Improvement

Positive Observations:

- The support from Erajaya Synergy Sdn Bhd personnel, especially the ground staff contribute to the smoothness and success of the audit process.
- The spirit of unity and enthusiasm of the personnel towards achieving MSPO certification is impressive.
- The unit has dedicated staffs who are assets to the company. Their cooperative, knowledgeable and hospitality are commendable.
- Organised documentation & highly commitment towards certification.

Important Observations and Opportunities for Improvements:

Nil

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	38 of 40	



Appendix 1: Multi –Site Address List

Site name / Address	Audit Dates	Activities at this site
Daro Jaya	12/11/2018	Harvesting, Manuring and Weeding
Maujaya Palm Oil Mill	13/11/2018	Processing of FFB
Lepah Jaya	14/11/2018	Harvesting, Manuring and Weeding

Appendix 2: List of Stakeholders Contacted

Stakeholders	Issue	Remarks
External Kpg Penasu Daro, Penghulu Hj Badang Bin Sabli 019-8686181	No Issue	
External Kpg Penasu Daro, JKKK Nasir bin Bus 013-5712550	No issue	
Internal Transporter (2 tahun lebih) Mustradin Bin Marzuki Jawa Timur	No issue	2 years as transporter
External WWF-Malaysia (Sarawak Office) Tel: 082-247420/ 257420 Interview via phone (time call: 1 st Call: 12.38 pm and 2 nd Call: 12.40 pm)	Nil	Cannot get through

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	39 of 40	

Signed on behalf of Erajaya Synergy Sdn Bhd	Signed on behalf of SGS Malaysia Sdn Bhd
	 <p data-bbox="826 1048 1340 1149"> Mr Dickens Mambu Regional Head Certification (Sarawak) Manager, Palm Oil Base (East Malaysia) </p>

Job n°:	MY 05105	Report date:	1.02.2019	Visit Type:	Main Assessment	Visit n°:	2
CONFIDENTIAL	Document:	GP 7003A	Issue n°:	10	Page n°:	40 of 40	