

MY05154 Mutiara Pelita Genaan Plantation Sdn Bhd Audit Summary Report

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| Organization: | Mutiara Pelita Genaan Plantation Sdn Bhd | | |
| Address: | <u>Head Office</u> No. 63-66, 1st Floor, Kueh Hock Kui Commercial Centre, Jalan Tun Ahmad Zaidi Aduce, 93150 Kuching, Sarawak. Contact: Mr Loo Siong Ching (Senior General Manager) Tel: 019-859 3119 Fax: 082-427 657 <u>Estate Office Address</u> Sebauh, Bintulu, Sarawak | | |
| Standard(s): | MS2530-3 : Part 3 : General principles for Oil Palm Plantations and Organized Small Holders | Accreditation Body(DSM): DEPARTMENT STANDARDS MALAYSIA | |
| Representative: | Mr Loo Siong Ching (Senior General Manager) | | |
| Site(s) audited: | 1. Mutiara Pelita Genaan 1 2. Mutiara Pelita Genaan 2 3. Mutiara Pelita Genaan 3 | Date(s) of audit(s): | 22 nd January 2019 |
| 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

Validation of processes for production and service provision

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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 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: 2 Major 1 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.

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. Yes No

The organization has demonstrated effective implementation and maintenance / improvement of its management system. Yes No

The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement. Yes No

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The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system. Yes No

The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system. Yes No

Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard. Yes No

Certification claims are accurate and in accordance with SGS guidance N/A Yes 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:

| | | | |
|---|---|-------------------------------------|-------------------------------------|
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| Address: | <u>Head Office</u> No. 63-66, 1st Floor, Kueh Hock Kui Commercial Centre, Jalan Tun Ahmad Zaidi Adruce, 93150 Kuching, Sarawak. Contact: Mr Loo Siong Ching (Senior General Manager) Tel: 019-859 3119 Fax: 082-427 657 <u>Estate Office Address</u> Sebauh, Bintulu, Sarawak | | |
| MPOB License No.: | 540565002000 | Expiry date: | 1/01/2019 – 30/06/2019 |
| Scope of Activity: | 1. Menjual dan mengalih (FFB) | | |
| Date of certificate issued and validity | Nil (New application) | | |
| Other Sustainability Certification | Nil | | |
| Proposed date of next surveillance audit | January 2020 | | |
| Visit Number: | 02 (Stage 2) | Actual Visit Date: | 22nd January 2019 |
| Visit Due by Date: | Nil | For auditor information only | |
| Lead Auditor: | Dickens Mambu (DM) | | |
| Team Member(s): | Abdul Khalik Arbi (AKA) | | |
| Additional Attendees and Roles | Nil | | |
| Standard(s): | MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders | | |

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| Audit Language: | English & Malay |
| Audit Scope: | <p>1.The audit covered Three (3) site performing the following scope: Operations, comprising of plantation management systems, production of Fresh Fruit bunches (FFB), documentation and field assessment.</p> <p>2.The audit covered all the MS2530-3:2013 Part 3 requirements with no permissible exclusion of clause in compliance to the MSPO Certification Standard</p> |

Audit Plan

| Date | Time | Auditor | Organizational and Functional Units/ Processes and activities | Key Contact |
|-------------------------------------|---------|---------|---|---------------------|
| 22 nd January 2019 | 7.30 am | DM/AKA | Depart to Mutiara Pelita Genaan Plantation Sdn Opening Meeting Audit Process (Site Visit) <ul style="list-style-type: none"> • Principal 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principal 4: Social responsibility, health, safety and employment condition • Principal 5: Environment, natural resources, biodiversity and ecosystem services • Principal 6: Best Practice • Principle 7: Development of New Plantings | Estate Personnel |
| | 12.30pm | | Lunch | |
| | 1.00 pm | | Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits) | |
| | 4.00 pm | | Preparation for closing | |
| | 5.00 pm | | Closing Meeting | |
| | 6.00 pm | | Depart to Bintulu Airport | |

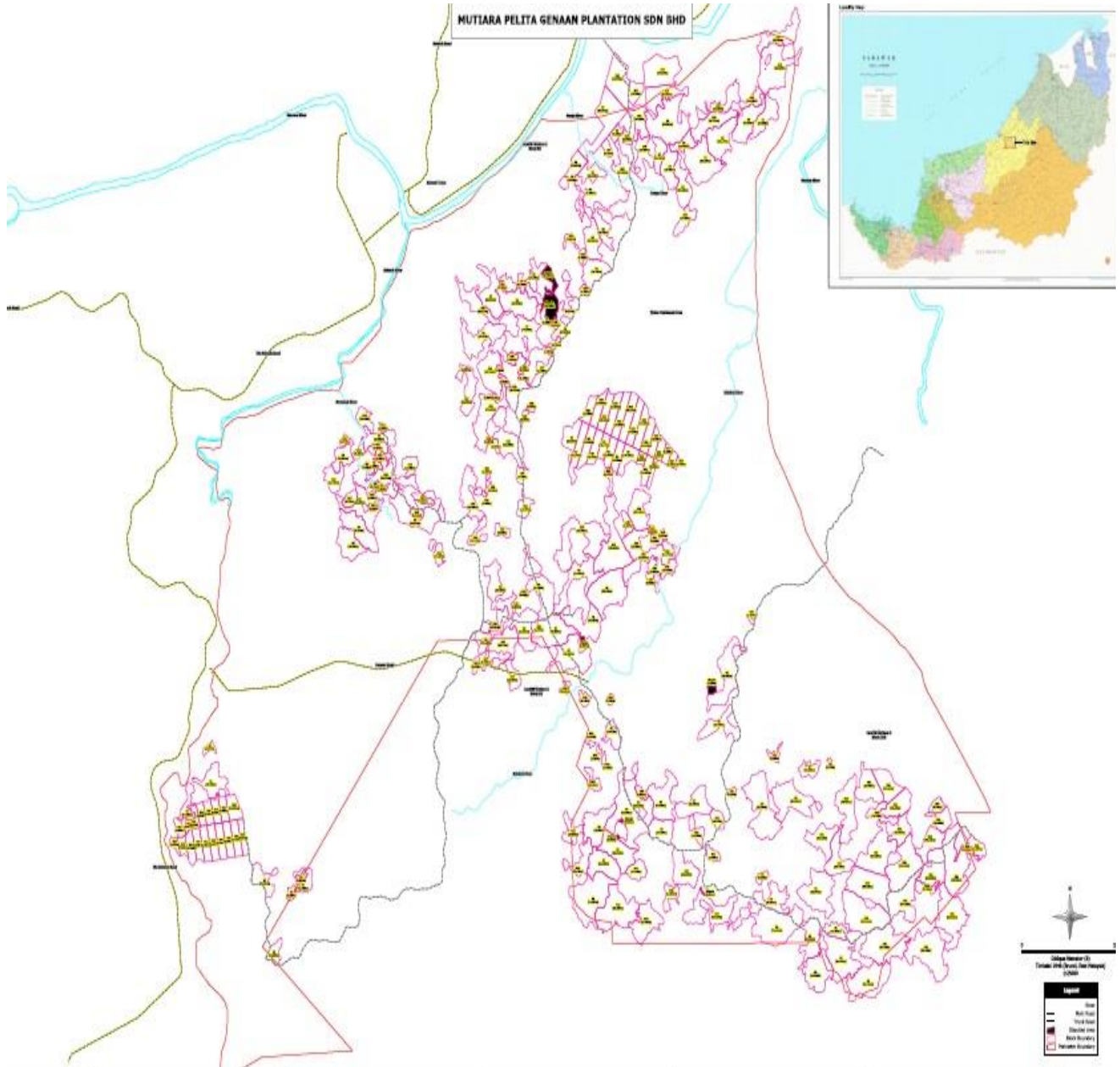
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Location and Maps

Table 1:

| Supply Base / Estates: | Location Address: | GPS Coordinate(s): | Area Certified(HA): |
|-------------------------------|--------------------------|---|----------------------------|
| Mutiara 1 | Sebauh, Bintulu, Sarawak | 03 ⁰⁰ 06'56.1" N 113 ⁰⁰ 18'40.5" E | 5490.08 |
| Mutiara 2 | Sebauh, Bintulu, Sarawak | 03 ⁰⁰ 02'22.4" N 113 ⁰⁰ 17'20.8" E | |
| Mutiara 3 | Sebauh, Bintulu, Sarawak | 02 ⁰⁰ 59'41.2" N 113 ⁰⁰ 23'15.0" E | |

Mutiara Pelita Genaan Plantation Sdn Bhd Locality Map



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Description of FFB Production

The FFB are sourced from the estate which are directly managed by Mutiara Pelita Genaan Plantation Sdn Bhd. The crop yield from the estate as mention in **Table 2** below.

Table 2: FFB Production

| Estate | FFB Production (MT) | |
|--------------|----------------------------|--------------------------------|
| | Jan – Dec 2018 (Actual) | Jan - Dec 2019 (Projection) |
| Mutiara 1 | 29,376.78 | 42,349.00 |
| Mutiara 2 | 35,186.21 | 48,720.00 |
| Mutiara 3 | 15,466.30 | 20,840.00 |
| Total | 80,029.29 | 111,909.00 |

Area of Statement

The supplying estate detail of production area (mature/immature) are listed in **Table 3**.

Table 3: Area Statement of the Supplying Estates

| Name of estate | Title Area (ha) | Plantation area (ha) | | | | |
|---|-----------------|----------------------|---------|--------------|-------------|----------|
| | | Immature | Mature | Conservation | *Land Issue | **Others |
| Mutiara Pelita Genaan Plantation Sdn. Bhd. | 5490.08 | 171.02 | 4806.77 | Nil | 26.21 | Nil |
| *Land issue is included in total production **Others : Transmission tower, Quarry, Roads, line site, rives, water catchment area, office building ,etc | | | | | | |

Stakeholder Consultation and List of Stakeholders Contacted

A public announcement was made 30 days prior to the audit,

<https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/-/media/42A4751E8343479791543FF45E366C17.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 estate office. Detail can be referred to **Appendix 1**:

Comment on MS2530-3 Compliance Status:

| <p>Comment on Principle 1</p> | <p><u>Policy on Implementation of MSPO –</u> MSPO Policy is available.</p> <p>‘Sustainability Policy ‘ document number MG-POL SP Version 1.0</p> <p>Signed by Managing Director Tan Sri Yee Ming Seng dated 22nd May 2018</p> <p>The policy briefed to the estate management (Mutiara 1, 2 and 3 Estate on 28th September 2018)</p> <p><u>Internal audit</u></p> <table border="1" data-bbox="549 1294 1139 1442"> <thead> <tr> <th>Estate</th> <th>Date of audit</th> </tr> </thead> <tbody> <tr> <td>Mutiara 1</td> <td>26th October 2018</td> </tr> <tr> <td>Mutiara 2</td> <td>16th January 2019</td> </tr> <tr> <td>Mutiara 3</td> <td>16th January 2019</td> </tr> </tbody> </table> <p>Internal audit procedure: Reference Number : MPG/PROC/IA/Version 1.0 Finding Internal audit : 7 Non-conformance All finding has been rectified on 20th January 2019. Continual Improvement : Safety and Health to be strengthen and improvement (facilities)</p> <p><u>Management Review –</u> The management review meeting was attended by Executive Director, Plantation Controller and sustainability from HQ and estate level.</p> <p>Management Review report sighted : 18th January 2019</p> <p>The following was the agenda:</p> <ol style="list-style-type: none"> 1) Sustainability Management system 2) Internal audit findings | Estate | Date of audit | Mutiara 1 | 26 th October 2018 | Mutiara 2 | 16 th January 2019 | Mutiara 3 | 16 th January 2019 |
|-------------------------------|---|--------|---------------|-----------|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|
| Estate | Date of audit | | | | | | | | |
| Mutiara 1 | 26 th October 2018 | | | | | | | | |
| Mutiara 2 | 16 th January 2019 | | | | | | | | |
| Mutiara 3 | 16 th January 2019 | | | | | | | | |

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| | <p>3) Compliance and Grievances 4) Enquiry Register Book 5) Stakeholder Meeting report / Minutes 6) Resource and Training Requirement 7) Compliance status on legal and other requirement 8) Raised up issues and decision making</p> <p>Continual improvement</p> <p><u>Continual Improvement</u> The continual improvement plan available on social impact: It include the following categories:</p> <ol style="list-style-type: none"> 1) Minimise use of certain pesticides 2) Environmental impacts 3) Maximizing Recycling and minimizing waste or by product generation 4) Pollution Prevention and Reduction Plan 5) Social Impact |
| <p>Comment on Principle 2</p> | <p><u>Transparency of documents relevant to MSPO requirements</u> – Grievance Procedure and Communication procedure No : Ref. No: MPG -PROC-CG Version 1.0</p> <p>Mechanism on Information request by stakeholder’s procedure was available. The complaint / request form are made available and recorded in the file.</p> <p>The form is allocated at site office for all Mutiara Estate 1-Estate 3 was sighted.</p> <p><u>Transparent method of communication and consultation</u> Procedures shall be established for consultation and communication with the relevant stakeholders : Ref No: MPG –SOP-TM Version 1.0 Mechanism for Communication and Consultation Procedure</p> <p>The following are the sections available:</p> <ol style="list-style-type: none"> 1) Purpose 2) Definition 3) Communication 4) Process Flow <p>Consultation with employees and other stakeholders</p> <p><u>Traceability</u> The management has established the following standard operating procedure, Ref No: MPG-SOP-TM Version 1.0 Traceability on FFB to comply with the requirements for traceability of the FFB. In Appendix 1, the following is identified:</p> <ol style="list-style-type: none"> 1) Harvesting 2) FFB Platform and Inspection 3) FFB Evacuation to Ramp |

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| | <p>4) Despatch to Mill 5) Submit Weighbridge chit from Mill 6) Filing of WB Chit 7) Review Backlog Report</p> <p>Sampling Taken : Mutiara 1</p> <p>Checker will record the harvester name and grade in the Bunch Chit e.g. Bunch Chit No:M1FC00490 Record 25th October 2018</p> <p>It will also record the following Total Harvester : 8 Ripe: 1047 FFB Average Bunches Weight : 10.73 kg PF / Rotten : NIL Date : 25th October2018 Name of checker: Abdul Rahman</p> <p>A Weighbridge Advice chit will be issued Vehicle No : Lorry (Internal) QTQ 1676 Material : FFB Time: 4.41 pm (Final Summary) Nett : 22.08 mt Date: 25/10/2018 Mutiara 1, Mutiara 2 and Mutiara 3 will be weighed at DD Palm Oil Mill Weighbridge.</p> <p>Each estate will be using separate delivery note when they deliver to the DD Palm Oil Mill</p> |
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| <p>Comment on Principle 3</p> | <p><u>Regulatory requirements –</u> The estate operation is in compliance with the applicable of local state, national and ratified international laws and regulations. The plantation sustainability team are responsible to monitored on the compliances.</p> <ol style="list-style-type: none"> 1. Environmental Quality Act 1974 2. OSH Act 1994 3. Sarawak Labour Ordinance 1958 4. Employment Act 1955 <p>Example : MPOB license : Reg : 540565002000 Hectare: 5004.04 Expired : 30th June 2019</p> <p><u>Legal land use rights –</u> Management have provided Joint Venture Agreement (JVA) document which shows that the establishment of oil palm plantation is sited on</p> |
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| | <p>Native Customary Right (NCR) land ventured with Sarawak Land Custody and Development Authority (LCDA)- PELITA. Joint Venture Agreement was sighted. Dated : 6th March 2007</p> <p><u>Customary rights</u> – Upfront Payment for Mutiara Pelita Genaan start on Batch 1 Batch 1 : 2009 Latest Batch : 5th November 2018 First longhouse dialogue : 7th April 2005 First Area Development Committee (ADC) established : 2005 Approved NCL Project development : 1 march 2005 (letter from Sarawak L&S) NCL Development/Silas/Ulu Sebauh/ Genaan Selabat : 242/9/2/50 vol. 3.</p> |
| <p>Comment on Principle 4</p> | <p><u>Social Impact Assessment</u> – The Social Impact Assessment was conducted by getting data in form of questionnaire sent to the community. SIA dated: 17th January 2019 Date review : 17th January 2019</p> <p>Item mentioned in the report</p> <ol style="list-style-type: none"> 1.Job Opportunity 2.Household Income 3.Facility – Road 4.Promote local culture 5.Promoting Agriculture Activity 6.Any social issue risen (conflicts) 7.Health and safety components 8.Eductaion Opportunity for children 9.CSR done by estate <p>Social Impact SOP was developed to mitigate negative impacts. Document No: MPG/PROC/SIA version 1.</p> <p><u>Complaints and grievances</u> – Ref. No: MPG/PROC/CG version 1.0 Mechanism for complaints and grievance resolution procedure is established as the system for dealing with complaints and grievances. System established on March 2018</p> <p><u>Commitment to contribute to local sustainable developments</u> – Mutiara Pelita Genaan Sdn Bhd contribution to local development in 2018 recorded</p> |

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| | <p>1. Road repair to Rh Jabris 2. Road repair to Rh Utik 3. Ferry transportation for community (Free of Charge) 4. School transportation 5. Donation to landowner 6. Donation for festivals to villages 7. Employment / Job Opportunities</p> <p><u>Employees health and safety –</u> An occupational safety and health policy and plan has been documented, effectively communicated and implemented.</p> <p>Ref No: OSHA MPG version 1.0 signed by Executive Director , MD Tan Sri Yee Ming Seng</p> <p><u>Principle 4.4.4.1</u> <u>Major 1</u></p> <p>The risks of 11 operations have been assessed and the document was sighted in the estate HIRARC. However, it was also notified that the risk assessment plan are not including all activities in the estate such as; 1. Chemical application on pesticides (P&D) and Chemical mixing. This activities was conducted in the estate.</p> <p><u>Principle 4.4.4.2</u> <u>Major 2</u></p> <p>1. During document assessment, it was found that Chemical Health Risk Assessment (CHRA) was not available. 2. The annual JKKP submission was also not available.</p> <p><u>Employment conditions –</u> The management has establish the policy 'Employment & Human Policy' signed by Mr Wong Kai Song (24/7/17) on good social practices regarding human rights in respect of industrial harmony.</p> <p>Finding Interview with Gender committee, the policy was has not been communicated to the employees</p> <p><u>Training and competency –</u> The management has establish the policy 'Employment & Human Policy' signed by Mr Wong Kai Song (24/7/17) on good social practices regarding human rights in respect of industrial harmony.</p> <p>Finding Interview with Gender committee, the policy was has not been communicated to the employees</p> |
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| <p>Comment on Principle 5</p> | <p><u>Environmental management plan</u> – Environment policy is available and sign by the Executive Director on 24th July 2017.</p> <p><u>Efficiency of energy use and use of renewal energy</u> – The management has provided record of fossil fuel consumption which comprises of transportation record.</p> <p>However, data to date is only until April 2017.</p> <p>The management has provided continuous improvement plan which comprise of certain aspects of environment, best practices and waste management however it did not include continuous improvement for non-renewal energy towards efficiency usage.</p> <p><u>Waste management and disposal</u> – From the estate management, waste product identification and record are made available</p> <p><u>Reduction of pollution and emission</u> – The management have provided pollution prevention and reduction plan which is verified by sustainability team and update on 24 July 2017. Components of pollutant mention are GHG, erosion, noise pollutants and water pollutants.</p> <p><u>Natural water resources</u> – From the plantation management, the document mention below are provided</p> <ol style="list-style-type: none"> 1. The plantation has provided SOP on establishment of riparian buffer 2. Water Management Plan 3. Environmental Quarterly Report (EMR) with water analysis from the laboratory 4. Record of water level measurement 5. Maps shows on riparian is available <p>However, water management plan was incomplete as since this area is a peat area document related to water management in peat area such as</p> <ol style="list-style-type: none"> 1) Best Practices in Peat Land 2) Piezometer measurement (as mention in the plantation EIA) <p>were not available.</p> <p>In addition the following were not available:</p> <ol style="list-style-type: none"> 1) Training record on riparian / buffer management 2) Signage on 'No encroachment' were also not sighted <p><u>Status of rare, threatened or endangered species and high biodiversity value area</u> – The estate management has provided:</p> |
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| | <p>a) List of endangered species IUCN b) Wildlife Protection Ordinance (Sarawak)</p> <p>However, documents / practices were not available :</p> <ol style="list-style-type: none"> 1.Sarawak list of protection animals and plants 2.Guidience on field observation for biodiversity monitoring 3.Information on availability of animals / plants in the plantation (updated) as the reference document is referred to 2008 EIA which is outdated. 5. Management plan for wildlife conservation is not available in the biodiversity assessment <p><u>Zero burning practices -</u> The estate management provides sustainability policy which was signed by the executive director on 24th July 2017 which mentioned that zero burning is practiced.</p> <p>However, this is contradicting with the document guidelines, within plantation GAP and SOP on best practices, still recommend / mention allowing burning practices during land preparation.</p> |
| <p>Comment on Principle 6</p> | <p><u>Site management</u> Management have provided SOP on Best Practices. The Ref No: SY - LM/MSPO/SOP.010. and signed by the Executive Director on 24 July 2017</p> <p>Objectives of the SOP for the Best Practices</p> <ol style="list-style-type: none"> 1.Provide sets of practical standard procedure for best practices that important for enhancing the management of existing oil palm cultivation 2.reduce environment impact especially GHG emission and subsidence 3.reduce negative impact related to oil palm cultivation on peat 4.Minimize GHG emissions and potential impacts to the environment 5. Ensure employer and workers follow the procedures and have good relationship. <p><u>Economic and financial viability plan</u> The management has made available the Business Management Plan for 4 years (2017-2020) Item within the business management plan are:</p> <ol style="list-style-type: none"> 1.Crop Projection 2.Cash flow statement 3.Capital Expenditure <p><u>Transparent and fair pricing dealing</u> Pricing mechanism for the CPO price is properly documented in the contract agreement with Sarawak Oil Palm Mill (Lambir). The duration of the agreement is from 1st September 2016- 31st August 2018.</p> |

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| | <p><u>Contractor</u> Contract agreement with contractor (sighted- Melinau Transport) not mention on MSPO compliances.</p> |
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7. Nonconformities

Corrective Action Request and Observation MS2530-3: 2013 Part 3: General principles for oil palm plantations and organized smallholders

| CAR # | Indicator | CAR Detail (NC : 1 , Minor) | | | | | |
|--|-----------|--|-------------------------------------|-----------|---------------------------------------|--------------|--------------------------------|
| 1 MS2530 -3:2013 Part 3 | 4.4.2.4 | Date Recorded> | 22 nd January 2019 | Due Date> | 22 nd September 2019 | Date Closed> | 10 th March 2019 |
| | | Non-Conformance: | | | | | |
| | | Employees and the surrounding community was found no aware on the complaints & grievances procedure | | | | | |
| | | Objective Evidence: | | | | | |
| | | Grievances procedure was established in Mutiara Pelita Genaan estate via document number: Ref. No: MPG/PROC/CG version 1.0 However, based on interview with stakeholder & estate workers, it was found that they still aware on the availability of complaint form and the procedure. | | | | | |
| | | Close-out evidence: | | | | | |
| Complaint and grievances briefing record as evidence has been submitted by Mutiara Pelita Genaan Plantation Sdn Bhd and accepted by auditor. Attachment 1 (as evidence has been enclosed by estate management in the submission of the NC corrective action taken) | | | | | | | |

| CAR # | Indicator | CAR Detail (NC 2 & 3, Major) | | | | | |
|----------------------------------|-----------|---|-------------------------------------|-----------|--------------------------------|--------------|--------------------------------|
| 2 MS2530 -3:2013 Part 3 | 4.4.4.1 | Date Recorded> | 20 th January 2019 | Due Date> | 20 th March 2019 | Date Closed> | 10 th March 2019 |
| | | Non-Conformance: | | | | | |
| | | An occupational safety and health policy and plan is found documented however, not effectively implemented. | | | | | |
| Objective Evidence: | | | | | | | |

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| CAR # | Indicator | CAR Detail (NC 2 & 3, Major) | | | | | |
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| | | <p>The risks of 11 operations have been assessed and the document was sighted in the estate HIRARC. However, it was also notified that the risk assessment plan are not including all activities in the estate such as;</p> <p>1. Chemical application on pesticides (P&D) and Chemical mixing. This activities was conducted in the estate.</p> <p>Close-out evidence:</p> <p>Risk assessment for all estate operations has been done and evidence of new risk assessment document is submitted and accepted by auditors. The attachment referred as attachment 2 is enclosed in the submission evidence.</p> | | | | | |
| 3 | 4.4.4.2 | Date Recorded> | 20 th January 2019 | Due Date> | 20 th March 2019 | Date Closed> | 10 th March 2019 |
| MS2530 -3:2013 Part 3 | | Non-Conformance: | | | | | |
| | | <p>1. The management has establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 however safety implementation in the Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000 was found lacking.</p> <p>2. Unsafe condition was identified within the estate area</p> | | | | | |
| | | Objective Evidence: | | | | | |
| | | <p>1. During document assessment, it was found that Chemical Health Risk Assessment (CHRA) was not available.</p> <p>2. The annual JKPP submission was also not available.</p> | | | | | |
| | | Close-out evidence: | | | | | |
| | | <p>It was sighted that the evidence to close the NC is by the estate management.</p> <p>Evidence</p> <ol style="list-style-type: none"> Quotation for CHRA from consultant to estate management and acceptance by estate management of consultant proposal to conduct CHRA Annual JKPP submission record. | | | | | |

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.

- 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.

| | | | | | | | |
|---------------------|-----------|--------------|------------|-------------|-----------------|-----------|---|
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- 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 on an action plan and sent by the client to the auditor within 60 days 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:

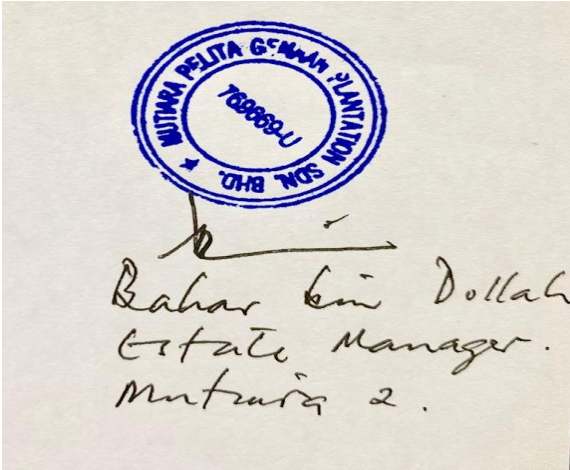

- The support from Mutiara Pelita Genaan Plantation Sdn Bhd personnel, especially the ground staff contribute to the smoothness and successful of the audit process.
- The spirit of unity and enthusiasm of the personnel towards achieving MSPO certification is impressive.
- The unit has dedicated staffs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

Appendix 1: List of Stakeholders Contacted

| Stakeholder | Type of Stakeholder | Issues raised | Comments/Action Taken |
|--|---------------------|------------------|---|
| Transporter: Chendari Abu & Son Enterprise | External | No issues raised | Good cooperation and helping comment to estate management |

| | | | | | | | |
|---------------------|-----------|--------------|------------|-------------|-----------------|-----------|---|
| Job n°: | MY05154 | Report date: | 22.01.2019 | Visit Type: | Main Assessment | Visit n°: | 2 |
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| | | | |
|--|--------------------------------------|------------------|---|
| Transporter: Catherine Jenah | External | No issues raised | Good cooperation and helping comment to estate management |
| Sarawak Land Custody and Development Authority | External | No issues raised | Good cooperation and helping comment to estate management |
| Monica Mone Malaysia Palm Oil Certification Council (MPOCC) | External Stakeholder (Government) | NIL | NIL |

| Signed on behalf of Mutiara Pelita Genaan Plantation Sdn Bhd | Signed on behalf of SGS Malaysia Sdn Bhd |
|--|---|
|  <p>Mr Bahar Bin Dollah Estate Manager</p> |  <p>Mr. Dickens Mambu Certification and Business Enhancement Regional Head Certification</p> |

| | | | | | | | |
|---------------------|-----------|--------------|------------|-------------|-----------------|-----------|---|
| Job n°: | MY05154 | Report date: | 22.01.2019 | Visit Type: | Main Assessment | Visit n°: | 2 |
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