



## MY05508 Tiasa Mesra Sdn. Bhd. Audit Summary Report

<b>Organization:</b>	<b>Tiasa Mesra Sdn. Bhd.</b>		
<b>Address:</b>	<b><u>Headquarters</u></b> No.66-78, Pusat Suria Permata, Jalan Upper Lanang, C.D.T 123, 96000 Sibul, Sarawak Malaysia. Head office: Tel: 084-211555 Fax: 084-211886 Email: <a href="mailto:info@suburtiasa.com">info@suburtiasa.com</a>  Contact person : Lance Hung Sing Lu (Assistant Senior Manager) Contact No : 019-888 5329 / 084-211555  <b><u>Estate Address</u></b> LPF/0035, OFF Jalan Kampung Kepayang, Batang Sadong Kiri, Simunjan		
<b>Standard(s):</b>	<b>MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders</b>	<b>Accreditation Body (DSM): DEPARTMENT STANDARDS MALAYSIA</b>	
<b>Representative:</b>	<b>Ms Doria Ellison (PR Manager)</b> <b>Ms Maria Wong (Officer)</b>		
<b>Site(s) audited:</b>	<b>Tiasa Mesra Sdn Bhd</b>	<b>Date(s) of audit(s):</b>	<b>3<sup>rd</sup> &amp; 4<sup>th</sup> September 2019</b>
<b>Visit Type:</b>	<b>MSPO Audit Stage 2</b>	<b>Type of Certification Assessment</b>	<b>Main Audit</b>
<b>Lead auditor:</b>	<b>Dickens Mambu</b>	<b>Additional team member(s): Audit Member (AM)</b>	<b>Nil</b>
This report is confidential, and distribution is limited to the audit team, audit attendees, client representative, the SGS office and may be subject to Accreditation Body, Certification Scheme owners or any other Regulatory Body sampling in line with our online Privacy Statement which can be accessed.			

### 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

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

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

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	1 of 22	



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 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  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.

The management system documentation demonstrated conformity with the requirements  Yes  No of the audit standard and provided sufficient structure to support implementation and maintenance of the management system.

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

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	2 of 22	

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

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:

<b>Organization:</b>	<b>Tiasa Mesra Sdn. Bhd.</b>		
<b>Address:</b>	<b>Headquarters</b> No.66-78, Pusat Suria Permata, Jalan Upper Lanang, C.D.T 123, 96000 Sibul, Sarawak Malaysia. Head office: Tel: 084-211555 Fax: 084-211886 Email: <a href="mailto:info@suburtiasa.com">info@suburtiasa.com</a>  Contact person : Lance Hung Sing Lu (Assistant Senior Manager) Contact No : 019-888 5329 / 084-211555		
<b>MPOB License No.:</b>	<b>617734002000</b>	<b>Expiry date:</b>	<b>12.11.2018 till 31.10.2019</b>
<b>Scope of Activity:</b>	<b>1. Menjual dan mengalih (FFB)</b>		
<b>Date of certificate issued and validity</b>	<b>Nil (New application)</b>		
<b>Other Sustainability Certification</b>	<b>Nil</b>		
<b>Proposed date of next surveillance audit</b>	<b>July 2020</b>		
<b>Visit Number:</b>	<b>02 (Stage 2 )</b>	<b>Actual Visit Date:</b>	<b>3<sup>rd</sup> &amp; 4<sup>th</sup> September 2019</b>
<b>Visit Due by Date:</b>	<b>Nil</b>	<b>For auditor information only</b>	
<b>Lead Auditor:</b>	Dickens Mambu		
<b>Team Member(s):</b>	Nil		
<b>Additional Attendees and Roles</b>	Nil		
<b>Standard(s):</b>	<b>MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders</b>		
<b>Audit Language:</b>	English & Malay		

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	3 of 22	

<b>Audit Scope:</b>	<p>1.The audit covered One (1) 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
3 <sup>rd</sup> September 2019 Day 1	6.30 pm	DM	Meet at meeting point at RHB Bank, at Kota Samarahan.	Estate Personnel
3 <sup>rd</sup> September 2019	6.30 am	DM	Depart to Tiasa Mesra Sdn Bhd Arrive at Estate Opening Meeting Audit Process (Site Visit) <ul style="list-style-type: none"> <li>• Principal 1: Management commitment and responsibility</li> <li>• Principle 2: Transparency</li> <li>• Principle 3: Compliance to legal requirements</li> <li>• Principal 4: Social responsibility, health, safety and employment condition</li> <li>• Principal 5: Environment, natural resources, biodiversity and ecosystem services</li> <li>• Principal 6: Best Practice</li> <li>• Principle 7: Development of New Plantings</li> </ul>	Estate Personnel
	12.30pm	DM	Lunch	
	1.00pm	DM	Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	5.00pm	DM	End of Audit Day 1	
	5.30pm	DM	Depart to Kuching	

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	4 of 22	

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
4 <sup>th</sup> September 2019 Day 2	6.30 pm	DM	Meet at meeting point at RHB Bank, at Kota Samarahan.	Estate Personnel
3 <sup>rd</sup> September 2019	6.30 am	DM	Depart to Tiasa Mesra Sdn Bhd Arrive at Estate  Opening Meeting Audit Process (Site Visit)  <ul style="list-style-type: none"> <li>• Principal 1: Management commitment and responsibility</li> <li>• Principle 2: Transparency</li> <li>• Principle 3: Compliance to legal requirements</li> <li>• Principal 4: Social responsibility, health, safety and employment condition</li> <li>• Principal 5: Environment, natural resources, biodiversity and ecosystem services</li> <li>• Principal 6: Best Practice</li> <li>• Principle 7: Development of New Plantings</li> </ul>	Estate Personnel
	12.30pm	DM	Lunch	
	1.00pm	DM	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	DM	Preparation for Closing	
	5.00pm	DM	Closing Meeting End of Audit Day 2	
	6.00pm	DM	Depart to Kuching	

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	5 of 22	

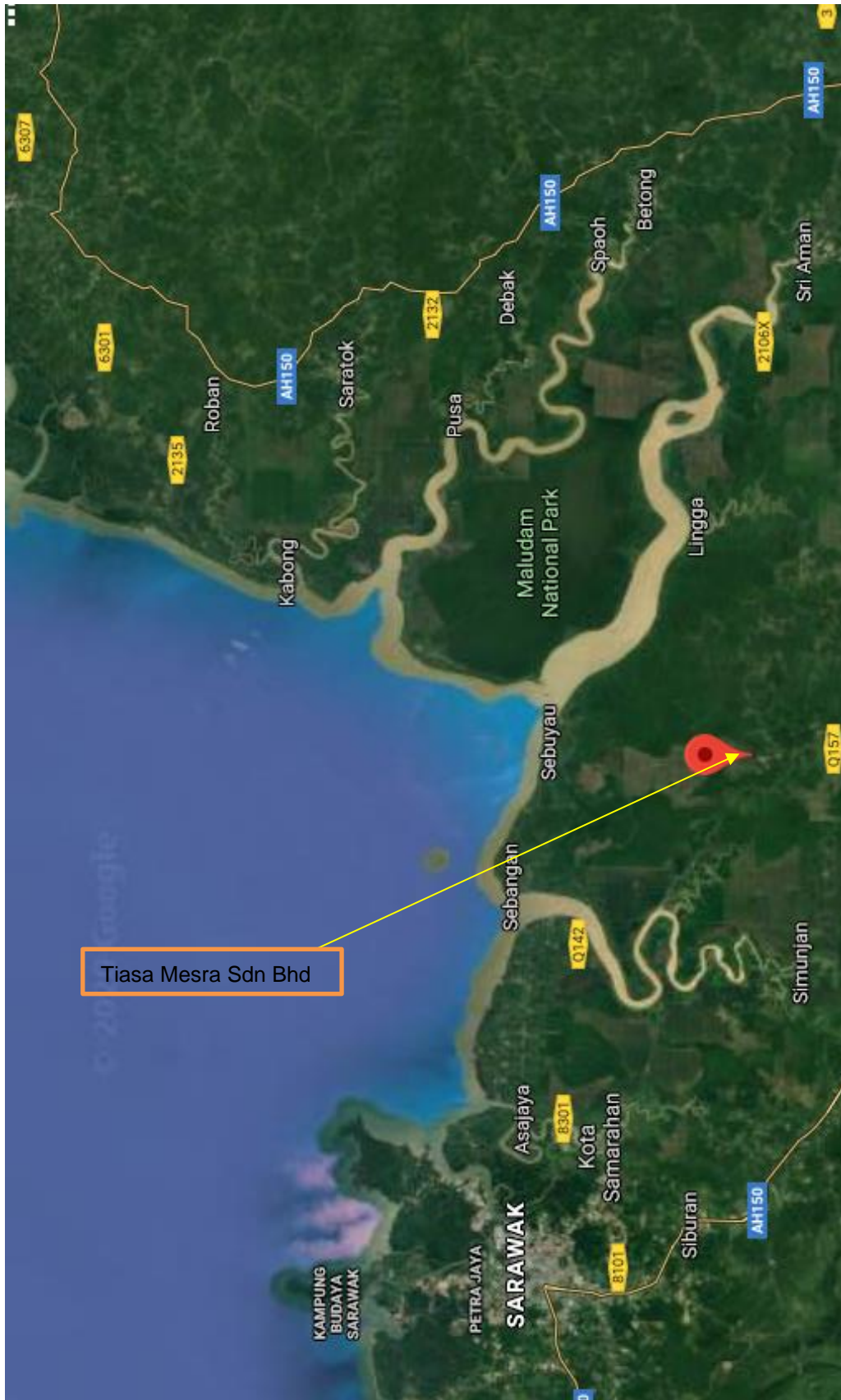
### Location and Maps

Infrapalm estate was located at LPF/0036, Sungai Koyan, 96900 Belaga, Kapit, Sarawak. The project size covers a gross area of with total 8,414.00 ha and planted area 4,194.97 ha, with size registered with MPOB 4,316.46 ha. The GPS locations of the state are shown in Table 1.

**Table 1: Palmlyn Sdn Bhd GPS Location**

Plantation	Coordinate	Total Area (ha)	Planted Area (ha)	Unplanted area (ha)	Others (ha)	Size Registered with MPOB (ha)
Tiasa Mesra Sdn. Bhd.	N 1.2883333 E 110.91922	15,580	5,328.00	5,842.00	4,410	6,314.14

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	6 of 22	



Tiasa Mesra Sdn Bhd

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	7 of 22	



### Description of Processing Capacity

The FFB are sourced from the estate which are directly managed by Tiasa Mesra Sdn Bhd. The crop yield from the estate as mention in **Table 2** below.

**Table 2: FFB Production**

Estate	FFB Production (MT)	
	2018 (Actual)	2019(Projection)
Tiasa Mesra Sdn Bhd	46,340	68,800

### Area of Statement

The supplying estate detail of production area are listed in **Table 3**.

**Table 3: Area Statement of the Supplying Estates**

Plantation	Coordinate	Total Area (ha)	Planted Area (ha)	Unplanted area (ha)	Others (ha)	Size Registered with MPOB (ha)
Tiasa Mesra Sdn. Bhd.	N 1.2883333 E 110.91922	15,580	5,328.00	5,842.00	4,410	6,314.14

### 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/tiasa-mesra-sdn-bhd>

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**:

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	8 of 22	



Comment on MS2530-3 Compliance Status:

<p>Comment on Principle 1</p>	<p><u>Policy on Implementation of MSPO –</u> Tiasa Mesra Sdn Bhd is a subsidiary under Subur Tiasa Holdings. 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 March 2018 signed by the Chief Operating Officer, Richard Teng King Huat.</p> <p>The briefing of the policy to the workers was conducted every morning muster to create awareness among the workers regarding the sustainable requirement.</p> <p>The policy was communicated during morning muster to the workers and displayed at site office, workshop, labour quarters and storage area notice board.</p> <p>Example: The estate management communicate the policy via MSPO Awareness Training dated on 10.05.2019, time 12.30 pm at Simunjan Estate (Meeting Room).</p> <p><u>Internal Audit –</u> It was sighted internal audit procedure was available in the estate management record, with procedure no.: STHB/MSPO/OPD/IA/01, dated 14<sup>th</sup> June 2018. Document approval and authorization: Prepared by Ms Doria Ellison Ludan (Document Controller, Reviewed by Mr Wong Pak Lee (Manager) and Approved by Mr Wong Pak ong (Regional General Manager).</p> <p>It was observed the internal audit was conduct on 23<sup>rd</sup> April 2019 and audit plan was sighted. The next internal audit scheduled for Tiasa Mesra Sdn Bhd will be in April 2020.</p> <p>1) Internal audit report was available during audit conduct. Which include audit findings.</p> <p>Corrective action for the findings also sighted and available during the audit conduct. Date of action taken in between 25<sup>th</sup> May till 20<sup>th</sup> June 2019.</p> <p>Example corrective actions as follow:</p> <ol style="list-style-type: none"> <li>1) Chemical containers and scheduled waste have been sent &amp; kept at scheduled waste store.</li> <li>2) Workers are reminded on the company’s Zero Burning Policy and shall be practiced continuously.</li> <li>3) Fertilizers bags have been re arranged at appropriate height.</li> </ol> <p>Noted Tiasa Mesra Estate under Subur Tiasa Holding Berhad had established MSPO Internal Audit Procedure which is prepared by Ms Doria Ellison Ludan and approved by the Regional General Manager, Mr. Wong Pak Ong. The procedure was established in 20<sup>th</sup> August 2018.</p>
-------------------------------	--

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	9 of 22	

	<p>Based on the internal audit findings sampled, 5 nonconformance had been issued and closed accordingly by the management. It was observed the report was recorded accordingly. Root cause and corrective action was sighted in the audit report.</p> <p><u>Management Review –</u> During the audit, it was found that management review was done at HQ level. The meeting involved by estate management and also management from HQ. The last management review done at HQ level was on 20<sup>th</sup> July 2018 to discuss on:</p> <ul style="list-style-type: none"> <li>a) MSPO Standards 2530-3:2013</li> <li>B) Mesra Tiasa preparation and progress update</li> <li>c) Internal audit</li> <li>d) Audit findings</li> <li>e) Recommendation and improvement</li> <li>f) Stage 1 and stage 2 audit.</li> </ul> <p>The minute meeting was recorded by Ms Maria Wong and approved by Estate Manager, Mr. Wong Pak Ong (Regional General Manager)</p> <p>The management review minute / agenda found that, the management had taken necessary action on continual improvement and preventive action.</p> <p>The continual improvement for Tiasa Mesra was sighted in their continual improvement plan which consists of technology, facilities and man power for the estate improvement.</p> <p><u>Continual Improvement –</u> It was observed the management had taken necessary action to ensure action plan and continual improvement implemented. It was incorporated in Training Plan for Year 2019.</p> <p>Some Example training topic for Continual Improvement Plan (CIP) as follow:</p> <ul style="list-style-type: none"> <li>1. Accident Investigation</li> <li>2. Best Management System Practices Oil Palm SOP</li> <li>3. Buffers management</li> <li>4. Company machines handling theory &amp; practical training.</li> <li>5. FFB Harvesting Training to improve FFB standards</li> <li>6. Safety and health briefing to improve safety &amp; health practices</li> <li>7. Land Matters briefing</li> </ul> <p>Based on interview with Mr Alvin Lim (MSPO Coordinator) he was aware regarding the CIP.</p>
<p>Comment on Principle 2</p>	<p><u>Transparency of documents relevant to MSPO requirements –</u> The management was communicate the information by relevant stakeholders via letter and grievance and complaints form. It was found out that the stakeholders meeting was conducted on 24<sup>th</sup> April 2018( Wednesday), time: 10.30 am till 11.00 am, venue: Tiasa Mesra Estate Meeting Room. The details of the meeting can be verified in minutes of meeting no.: MSPO/ SHM/TSM/01, Title Malaysian Sustainable Palm Oil</p>

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	10 of 22	

– TSM 1<sup>st</sup> Stakeholders Meeting

Annual Report for year 2018 had been published and can be found in Subur Tiasa Holdings Berhad website [www.suburtiasa.com](http://www.suburtiasa.com). Tiasa Mesra Sdn Bhd is one of Subur Tiasa Subsidiary.

It was observed the Tiasa Mesra estate was operate at License for Planted Forests with No.: LPF 0035. It was licence to Rejang Height Sdn Bhd. Which now take over by Subur Tiasa Holdings Berhad.

Land Title was available in the estate which named all that parcel of land situated in the LPF/0035, OFF Jalan Kampung Kepayang, Batang Sadong Kiri, Simunjan with total size 15,580 ha. It was observed the total planted area consist of 5,328 ha.

Environmental Aspect & Impact Assessment was available during audit conduct, its discuss on mitigating measures for each aspect which can lead to pollution. The management plan includes the following:

- a) Natural Resources
- b) Water
- c) Land
- d) Air
- e) Noise, Heat and Light.

Transparent Method of Communication and Consultation –

The procedure to establish consultation and communication with the relevant stakeholders was available in the estate with procedure No.: STHB/ MSPO/OPD/TRN/01, dated: 16<sup>th</sup> July 2018.

Based on interview with Mdm Mazuina Anak Thomson (Admin), she aware regarding the complaints and grievance procedure. Currently the was no complaints sighted. If any grievances and complaint available it will recorded in Complaint and Grievances File.

Appointment letters for each tasks was available in the estate. The task and person appointed list as below:

Estate has assigned several personnel to be in charge in several MSPO component. This personell will assist liason officer in the communication with relevant stakeholders

<u>Name</u>	<u>Position</u>
1. Ms Linna Aga	Traceability Officer
2. Mr. Mohd Fikri Shafiq Bin Abdullah	Safety & Health Officer
3. Mr Billy Bin Jumin	Social Liasion Officer
4. Ms Mazuina Sambai Anak Thompson	Gender Representative
5. Ms Steky Belala	Legal Officer
6. Mr. Kueh Tze Seng	Environmental Officer

All of names above was appointed by Mr Wong Pak Lee (Manager of MSPO Certification Scheme)

Traceability –

Procedure for Traceability had been established dated 23<sup>rd</sup> January 2018 Procedure No. STHB/ MSPO/ TRA/ 01 dated 23<sup>rd</sup> January 2018. During site visit, it was found the procedure is being practiced accordingly.

A person in charge had been appointed in order to maintain the

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	11 of 22	

	<p>continuity of traceability practice in the estates. Ms Linna Aga as Traceability Officer been appointed to ensure effectiveness of the traceability.</p> <p>Visual inspection of traceability procedures / handling at site</p> <p>Example of traceability implementation:  Date : 20<sup>th</sup> August 2019  Block : 113A  Harvester: Martinus, Avarius&amp; Herman(Task 60,61 &amp;62)  Bunches:341 FFB  Marking done at bunch stalk.</p> <p>Date : 20<sup>th</sup> August 2019  Total Weight: 5040 kg  Transport : W1088 Driver : Jeffrianus</p> <p>20<sup>th</sup> August 2019  Transport from Ramp to Serian Palm Oil Mill  Lorry Number : QMV 8837  Total Weight : 34310 kg</p> <p>Person In Charge will conduct a periodical checking on traceability implementation with frequency once a month. This was reflected from FFB Traceability Checklist.</p>
<p>Comment on Principle 3</p>	<p><u>Regulatory requirements</u> –  The estate is operating in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>Natural Resources and Environment Board Sarawak  EIA Report Approval  Approved 2<sup>nd</sup> March 2006  Reference No.: (13) NREB/6-1/2A/25</p> <p>Forest licence no.: LPF/ 0035  Gross Area: 15,580 hectares  Planted area as current: 5,328 hectares</p> <p>MPOB Licence No.: 617734002000  Licence activities: Menjual dan Mengalih FFB  Period: 12<sup>th</sup> Nov 2018 till 31<sup>st</sup> October 2019  Keluasan: 6,314.14 hectares</p> <p>Ordinan Perniagaan, Profesion dan Perlesenan Perdagangan.: A 599219 (Oil Palm Plantation). Period 7<sup>th</sup> December 2019 till 15<sup>th</sup> January 2020.</p> <p>Licence  Person in-charge to monitor the compliance legal requirement is Mr Steky Belala Legal Officer as Legal Register Officer.</p> <p>It was observed the document for legal related requirement was in placed and file in namely “<b>Legal Register</b>” Tiasa Mesra Sdn Bhd.</p> <p><u>Land use rights</u> –</p>

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	12 of 22	

It was sighted that, palm oil activity was operate in the land title itself. The plantation estate personnel had shown me the land title and it was private and confidential.

It was observed the estate management had provide legal ownership or lease of the estate. It can be verified in the EIA report, December 2004, done by Ecosol Consultancy Sdn Bhd.

Legal Ownership was shown in terms of

- 1.LPF license from Sarawak Forest Department
- 2.Ownership changes
- 3.Tiasa Mesra legal ownership letter / document
- 4.Land status

Customary rights –  
There is no issues or encumbered by customary rights in the estates. The estate developed within approved LPF area.

The estate will respond according to the Complaints/Grievance Mechanism should any cases arise in future.

Sustainability Team (based in HQ) will be referred for any issues of customary rights.

Comment on Principle 4

Social Impact Assessment –  
Social Impact Assessment (SIA) report is available that contains the followings:

- Introduction
- Objective
- Organizational Chart
- Tiasa Mesra Sdn Bhd Demographic
- Estate Address and Contact Numbers
- Adherence to National Laws and Regulations
- Facilities/ amenities
- Sexual harassment grievance procedure
- Social liaison officer

The consultation with stakeholders were recorded in the month of 24<sup>th</sup> April 2019.

SIA document was sighted in the estate office .  
Next review : May 2020

Complaints and grievances –  
Grievance Procedure is available in the Complaint and Grievances. 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”.  
Complaint form was sighted in the estate office along with complain & suggestion box.

Communication to the affected parties is evidenced. For instance, any social issues is communicated through briefing The established grievance procedures specifies the estimated time to settle issue raised (within 3 month) depending on types of complaint. Complaint and grievances issue can be verified in File name Complaint and Grievance.

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	13 of 22	

	<p>It was observed, there is no complain recorded in Tiasa Mesra estate. The file on complain &amp; grievance was assessed.</p> <p><u>Commitment to contribute to local sustainable developments –</u> The audit team notes that the assessment has been conducted with consultation with local communities. Records of CSR activities related to sustainability was conduct during stakeholders meeting which held 24<sup>th</sup> April 2019, with title MSPO awareness. It can verified in Stakeholder Record File.</p> <p>Records of all contribution made to surrounding communities can be verified in File Corporate Social Responsibility (CSR). Some of CSR as follows:</p> <ol style="list-style-type: none"> <li>1) <i>Bantuan empat golongan batang paip (main pipe lines) untuk Sembilan keluarga yang belum menerima bantuan, dated 17<sup>th</sup> July 2019 by Jawatankuasa Kelapa Sawit, Kampung Kepayang.</i></li> <li>2) <i>Memohon Sumbangan untuk Baikpulih Sekolah/ Tabika, dated on 11.07.2019 by Ahli Jawatankuasa Tabika, Tabika KEMAS Kampung Nanas C, Simunjan, 94800 Simunjan, Sarawak.</i></li> </ol> <p><u>Employees health and safety –</u> It was observed the occupational safety and health policy was made available in the estate. The policy signed by Mr Richard Teng King Huat (COO) on March 2018. The policy is displayed in the Estate Office. From training record, the policy has been communicated to workers through briefing session (muster ground) &amp; OSH training. Some Safety Plan sighted</p> <ol style="list-style-type: none"> <li>1. OSH meeting</li> <li>2. Emergency Response Plan</li> <li>3. PPE Issuance Record &amp; Usage</li> <li>4. HIRARC</li> </ol> <p>Observed that the occupational safety and health plan covers the followings:</p> <ol style="list-style-type: none"> <li>a) A <b>Policy Statement on Safety &amp; Health</b> dated <b>March 2018</b> signed by Mr. Richard Teng King Huat (Chief Operating Officer). The policy is displayed in the Estate Office.</li> <li>b) Risk of operation are sighted in the HIRARC document.</li> <li>c) Safety training for employees exposed to pesticides have been conducted; records of the training were available in <b>Workers Training Records (2018)</b>. Example of safety training conducted as below:             <ul style="list-style-type: none"> <li>✓ <b>Scheduled waste : 24<sup>th</sup> May 2018</b> <b>Finding- The empty container not properly manage and stored</b></li> </ul> </li> <li>d) Appropriate PPE were distributed for the specific risk assessed operations as per HIRARC .Records of PPE issuance are kept in the PPE Record Book.</li> <li>e) The estate has a Safe Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in</li> </ol>
--	---

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	14 of 22	

	<p>accordance to OSH (Classification Packaging and labelling) Regulation 1997 and OSH (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. The procedure covers (in example):</p> <ul style="list-style-type: none"> <li>✓ <b>Menabur Baja</b></li> <li>✓ <b>Menyembur Racun</b></li> <li>✓ <b>Menuai buah</b></li> <li>✓ <b>Workshop</b></li> </ul> <p>f) For Tiasa Mesra Estate, responsible person for safety &amp; health matter is Mr Mohd Fikri Shafiq Bin Abdullah.</p> <p>g)The OSH committee meeting organization chart and minute meeting was sighted. Latest meeting was on 27<sup>th</sup> June 2019, which discuss on safety and health issue on site.</p> <p>h) Accident and Emergency procedure was sighted in the estate ERP document.Document name : ST ERP/ TM/ ERP was sighted.</p> <p>I)Tiasa Mesra representatives that already trained on first aid were</p> <ol style="list-style-type: none"> <li>1.Billy bin Jumin</li> <li>2.Julian Tan</li> <li>3.Boney Barah</li> <li>4.Yoel Danil Kawah</li> </ol> <p>All expiry date: June 2020</p> <p>J)Record on accident was recorded in the accident record book which is maintained by safety &amp; health in charge for Tiasa Mesra estate.</p> <p>K) Site inspection evidence sign of potential hazard available at strategic location especially at the workshop, chemical store and fuel tanks. In addition, the emergency procedure is also made available to all workers by posting on the wall or on notice board (i.e.: Chemical and Fertilizer Store).</p> <p>Major 1 (4.4.4.2) Implementation of Safety and Health Aspects were found inadequate.</p> <p>Findings on safety &amp; health component was sighted in the estate operations and management of its operation equipment.</p> <ol style="list-style-type: none"> <li>1. Site visit to workers quarters identified, sharp tools (sickle) was not managed properly and can create hazard / danger to other occupants.</li> <li>2. Visit to block 114 to check on sprayer activities, it was found that a sprayer was not using hand gloves during handling of spraying equipment.</li> </ol> <p><u>Employment conditions –</u> It was observed the establishment of policy on good social practices regarding human rights was made available on site. The policy sighted was sign by Chief Operating Officer, Mr Richard Teng King Huat.</p> <p>The top management of estate is committed to implement the equal opportunity within their organization. It was observed in the organizational chart show involvement of female and male gender. There were no evidences of any form of discrimination based on race, national origin, religion, gender, union and political affiliation and is</p>
--	--

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	15 of 22	



covered in the policy as well.

The payroll and pay slip records of employees showed that all employees are paid with the basic salary are compliance with the local minimum wages requirements.

Based on interview with the employees at the field and office, the wages paid by the estate are sufficient to meet basic need of the personnel.

Training and competency –  
 It was observed the Training Plan 2019 which includes:  
 (1) First aid Training  
 (2) Basic scheduled waste management training  
 (3) Chemical handling training  
 (4) Harvesting training  
 (5) Manuring standard training  
 (6) Soil mounding technique  
 (7) Workplace inspection training.

The training plan developed by Subur Tiasa HQ sustainability team & training department based on their appraisal training needs for individual.

Training needs of individual employees was made available in scheduled 2019. It can be verified in individual file.

**Comment on Principle 5**

Environmental management plan –  
 An environmental Sustainability policy Statement was signed by Mr Richard Teng King Huat (CHIEF OPERATING OFFICER), Dated March 2018.

In the policy, some of the commitment by the management stated in environmental policy as follow:

- a) Observe and comply as far as practicality all applicable prevailing statutory environmental legislations and other applicable laws that relates to STH.
- b) Implementation and maintain an environmental management system conforming to MSPO Principles & Criteria standards and respective Standard Operating Procedures and Best Practices.
- c) Manage disposal of waste (Scheduled and other solid waste) generated during estate operation activities, in accordance with the local regulations and requirements.

It was sighted environmental Aspect & Impact Assessment (EAIA) was sighted. It was covered 5 components of the impacts list as follows:

- 1) Natural Resources
- 2) Water
- 3) Land
- 4) Air
- 5) Noise, Heat and Light.

One of component in the EAIA for Oil Palm Estate Field Operation: Manuring, fertilizer application: Riparian zone/ area were well identified and marked, there was no evidence of spraying activities within it.

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	16 of 22	

It was observed the EIA approval was made available in the estate. In EIA approval stated EMR shall be submit quarterly basis (3 months basis). Based on the file Environmental Monitoring Report (EMR) for Plantation it was observed the monitoring report was available every quarter. It was observed the latest Environmental Management Report (EMR) was made available during audit conduct. It was cover from 1<sup>st</sup> Quarter 2019 (January to March 2019) - 2<sup>nd</sup> EMR 2019 (April-June 2019)

Efficiency of energy use and use of renewal energy –

It was observed the record of diesel usage was made available in the estate record.

Consumption of renewal energy was sighted in the monthly diesel / patrol and lubricants usage.

The record update : August 2019  
Storekeeper for Tiasa Mesra Estate : Kong Chen Yu

It was observed the estate management had shown records usage of diesel for estate operation.

This can be seen in the Summary Diesel of Tiasa Mesra Estate (Yr 2019) by month for the following:

- (1) Road maintenance
- (2) Loading & unloading
- (3) Transportation others
- (4) Genset
- (5) General (workshop/ others)
- (6) Contractor
- (7) STH / others

Waste management and disposal –

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

- Soil Erosion and Sedimentation;
- Water Quality Degradation;
- Wastes Generation;
- Noise Pollution;
- Air Quality;
- Occupational Safety and Health Aspects;
- Socio-Economic Impacts;
- Management of Agrochemical Aspects

During site visit it was observed the buffer zone for the river was well maintained.

The waste identification was sighted in the internal EMP document dated May 2019.

Major 2 (4.5.3.2)

A waste management plan to avoid or reduce pollution was available and identified, however it was not fully implemented.

Inspection at scheduled waste store was found that used m- oil has been discharge nearby roadside drain. This is against estate own procedure on handling its scheduled waste.

It was observed the SOP for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste)

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	17 of 22	

2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal was available in File- Safe work procedure or SOP.

The SOP of handling scheduled waste was also sighted in the management internal environment management plan 2019.

Reduction of pollution and emission –

It was observed the record of coming in and out of empty container was made available in the stored area.

Polluting activities in the EMP sighted includes

- 1.Workshop
- 2.Manuring
- 3.Chemical application

It was sighted zero burning policy was available. Action plan to reduced pollutants and emissions was established.

Natural water resources –

It was observed the water management plan was made available in the report Water Management Plan. It was discuss on:

1. Introduction
2. Operating units
3. Identification of physical system for water management plan
4. Water management plans for Tiasa Mesra Sdn Bhd
5. Water consumption efficiency
6. Conclusion

It can be verified in the Water Management Plan report Reference No. WMP/TMSB/001 dated 22/01/2019.

There was no construction of bunds, weirs and dams across main rivers sighted in the estate.

Area visit; Phase 1 & phase 2.

Water harvesting practices was well practices in the estate for non-consume applications.

Status of rare, threatened or endangered species and high biodiversity value area –

There was no status of rare, threatened or endangered species and high biodiversity value area was available in the estate.

A)Based on EIA approved by Sarawak NREB , there is no habitats for endangered species in the estate.

B)The area was not conservation status

It was observed there was signage's on prohibiting, hunting and fishing was sighted at the main entrance and buffer zone area.

A)From estate legal practice, prohibition of hunting was mention in term of signage and employees were informed in the environment & biodiversity training.

This was sighted in the training record for the year 2019.

Zero burning practices -

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	18 of 22	

	<p>The zero burning policy statement was sighted at the estate as used by all under Subur Tiasa Holdings Bhd. It was signed by Mr Richard Teng King Huat, Chief Operating Officer on March 2018. There is no record of burning sighted.</p>
<p>Comment on Principle 6</p>	<p><u>Site management</u> – Standard Operating Procedures: In Oil Palm Plantation prepared covering all aspects of oil palm plantations from Land Preparation to Waste Management Plan. The SOP is under Subur Tiasa Holdings Bhd as per procedure No: STHB/MSPO/OPD/MR/01 dated 16/07/2018.</p> <p>As mention in the approved EIA report dated May 2004, the area for Tiasa Mesra estate is mostly peatland.</p> <p>In the EIA report, the estate has developed peat drainability study for peatland water management.</p> <p><u>Economic and financial viability plan</u> Business management plan which includes operational plan for at least 2 years projection was available.</p> <p>Budgeted Profit and Loss for Financial Year ending 31.08.2018 and 31.07.2019 were available for auditor’s viewing in the Business Management Plan File.</p> <p>Not applicable. Replanting will only be conducted in the next 15 years.</p> <p>Business management Plan for the last 2 years performance is available for viewing in the file.taking into accounts: quality of planting material and FFB, crop production projection is made taking into account: site yield potential, age profile, FFB yield trends, cost of production, price forecast, financial costs. Two years performance Record was sighted.</p> <p><u>Transparent and fair pricing dealing</u> A monthly estate account is prepared for the plantations was viewed by auditor.</p> <p>All contractors are provided with contracts: i) GFE Glory Sdn Bhd for land development from 01.10.2018 to 01.11.2019. ii) New contract being drawn up to include MSPO compliance.</p> <p><u>Contractor</u> All contracts are mutually agreed to and signed by the contractors with clear terms and conditions stated in the Contract Agreement, for example with: 1) GFE Glory Sdn Bhd for land development from 01.10.2018 to 01.11.2019.</p> <p>Training of contractors for awareness and compliance to MSPO have been done during the stakeholders meeting on 13 March 2019.</p> <p>All contracts are mutually agreed to and signed by the contractor with clear terms and conditions stated in the Contract Agreement.</p>

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	19 of 22	

--	--

## 7. Nonconformities

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

<b>Non- Conformity</b>	N° 1 of 2		Major 1			
	<b>Date Recorded&gt;</b>	4 <sup>th</sup> Sept .2019	<b>Due Date&gt;</b>	4 <sup>th</sup> Nov.2019	<b>Date Closed&gt;</b>	30 <sup>th</sup> October 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.4.2	
Document Ref.:	Criteria 4: Employees Safety and Health		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Implementation of Safety and Health Aspects were found inadequate.					
Objective Evidence:	<p>Findings on safety &amp; health component was sighted in the estate operations and management of its operation equipment.</p> <p>3. Site visit to workers quarters identified, sharp tools (sickle) was not managed properly and can create hazard / danger to other occupants.</p> <p>4. Visit to block 114 to check on sprayer activities, it was found that a sprayer was not using hand gloves during handling of spraying equipment.</p>					
Close-out evidence:	<p>1. Estate have shown area for sharp tools / work equipment safe keeping facilities. The new facilities were located near workers quarters. The picture of the facilities and estate training for the workers on this new practice was shown in non-confirming evidence submission. (Refer Appendix I: Picture 1).</p> <p>2. Estate management has submitted training conducted to their sprayer on safe operating procedure on spraying (before, during &amp; after). (Refer Appendix I: Picture 2a, 2b, 2c and 2d).</p>					

<b>Non- Conformity</b>	N° 2 of 2		Major 2			
	<b>Date Recorded&gt;</b>	4 <sup>th</sup> Sept 2019	<b>Due Date&gt;</b>	4 <sup>th</sup> Nov 2019	<b>Date Closed&gt;</b>	30 <sup>th</sup> October 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.3.2	
Document Ref.:	Waste Management & Disposal		Issue / Rev. Status:		Closed	
Details of Nonconformity:	A waste management plan to avoid or reduce pollution was available and identified, however it was not fully implemented.					
Objective Evidence:	Inspection at scheduled waste store was found that used m- oil has been discharge nearby					

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	20 of 22	

	roadside drain. This is against estate own procedure on handling its scheduled waste.
Close-out evidence:	The estate management has provided training on schedule waste management on handling used oil. The training record has been submitted and approved by auditor. (Refer Appendix I: Picture 3a).

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.
- 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 Tiasa Mesra 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
Job n°: MY05508	Report date: 30.10..2019	Visit Type: Main Assessment	Visit n°: 2
<b>CONFIDENTIAL</b>	Document: GP 7003A	Issue n°: 10	Page n°: 21 of 22

GFE Glory Sdn Bhd Contractor	External	No issues raised	Happy provide service to estate
Worker A (Harvester)	Internal	No issues raised	Happy working in the estate
Worker B (Harvester)	Internal	No issues raised	Good cooperation and helping comment to estate management

Signed on behalf of Tiasa Mesra Sdn Bhd	Signed on behalf of <b>SGS Malaysia Sdn Bhd</b>
 <p><b>Mr. Julian Tan</b> Assistant Manager</p>	 <p><b>Mr. Dickens Mambu</b> Lead Auditor</p>

Job n°:	MY05508	Report date:	30.10..2019	Visit Type:	Main Assessment	Visit n°:	2
<b>CONFIDENTIAL</b>	Document:	GP 7003A	Issue n°:	10	Page n°:	22 of 22	