

Malaysian Sustainable Palm Oil

(MSPO)

PUBLIC SUMMARY REPORT

MELEWAR PROPERTIES SDN BHD (Melewar Production Unit) Group Certification

BR No	50450559		
Company Address (HQ)	Group Plantation Controller Office Melewar Estate Div. 1, Locked bag No.11, 91109, Lahad Datu, Sabah.		
Site Address	<p>Plantation 1 Melewar Estate 1 Mukim Sg. Koyah, Kinabatangan, Sabah, Malaysia</p> <p>Plantation 2 Pahang Oil Palm Estate 2 Kinabatangan, Sabah, Malaysia</p> <p>Plantation 3 Hwa Li 2 Mukim Tenegang-Koyah, Kinabatangan 90200, Kinabatangan Sabah</p>		
Audit Date	Start	3 March, 2025	End 6 March, 2025
Standard	MS 2530-3-2: 2022 - Oil Palm Plantations (more than 500 hectares)		
Type of Certification	Group Certification		
Type of Assessment	Recertification Audit		

Report prepared by: SARJIT SINGH

Peer Reviewer by: Syahrizan Syahlan

Certification decision by: Tee Han Wei

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SECTION 1.0 PUBLIC SUMMARY REPORT

1.0 Details of Certification Assessment

1.1. Assessment information

Audit Date	3/3/2025 To 6/3/202
Type of Certification	Individual Certification
Scope of Certification	(Copy the statement from certificate) <i>Production of Sustainable Fresh Fruit Bunches from: 14,728.60 ha total oil palm planted area 16,399.77 ha total certified area</i>
Audit Type / Type of Audit	Recertification Audit
Method of Audit	Onsite Audit
MSPO Standards	MS 2530-3-2: 2022 - Oil Palm Plantations (more than 500 hectares)

2.0 Details of Estate(s)

2.1 Site Information

a. Management Representative
<ol style="list-style-type: none"> 1. Mr Tahir Abdul Hafid (Estate Manager) – Melewar Estate 1 2. Mr Jeffrin Bin Nourin (Estate manager) – Pahang Oil Plam Estate 2

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56-4 Setia Avenue, Jalan Setia Prima S U13/S, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor, Malaysia

All aspects of the audit are considered confidential

3. Mr Protus Lopez (Estate Manager) – Hwa Li 2	
b. Contact Information	
Telephone	1. 011-65728633 2. 013-2626190 3. 014-9551866
Email	Melewar1@jcc.com.my Pahang2@jcc.com.my Keratong2@jcc.com.my
Website	www.carotino.com

b. Details of MPOB License			
Estate Name	License No	Scope of Activity	Expiry Date
Melewar Estate 1	502061402000	Menjual dan Mengalih FFB	31/12/2025
Pahang Oil Palm Estate 2	502246302000	Menjual dan Mengalih FFB	31/07/2025
Hwa Li 2	620870102000	Menjual dan Mengalih FFB	28/02/2026

c. Geographical Location of Individual/All Certified Members		
Estate Name	Site Address	GPS Coordinate
Melewar Estate 1	Melewar Estate CL 095310400, Mukim Sg Koyah, Kinabatangan, Sabah	5°15'51.1"N 118°03'47.6"E
Pahang Oil Palm Estate 2	Pahang Oil Palm Estate 2 Kinabatangan, Sabah, Malaysia	5°17'36"N 118°08'20.0"E

Hwa Li 2	Mukim Tenegang-Koyah, Kinabatangan 90200, Kinabatangan Sabah	5°19'29.0"N 118°02'45.0"E
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d. Hectarage Information (Ha)

Estate Name	Mature	Immature	Planted (Mature + Immature)	HCV	Others (road, drain, etc)	Title
Melewar Estate 1	1427.92	897.28	2325.20	NA	382.72	2707.92
Pahang Oil Palm Estate 2	2001.19	574.41	2575.60	NA	289.23	2864.83
Gerola Estate	870.33	187.05	1057.38	NA	145.24	1202.62
Hwa Li 2	2263.10	763.57	3026.67	NA	218.53	3245.20
Tye Yang Estate	2226.09	1126.55	3352.64	NA	407.26	3759.90
Pahang Oil Palm Estate 3	1927.95	463.16	2391.11	NA	228.19	2619.30
Total	10716.58	4012.02	14728.60	-	1671.17	16399.77

Estate Name	Previous Year FFB (mt) Period: July 2023 - June 2024	Projection FFB (mt) Period: July 2024 - June 2025
Melewar Estate 1	33,667.95	38,798.99
Pahang Oil Palm Estate 2	45,185.27	43,283.00
Hwa Li 2	45,068.35	48,360.00
Total	123,921.57	130,441.99

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2.2 Certification Information

MSPO Certificate	Certificate No: 50450559 Date of Certification: 05.07.2020 Date of Expiry: 04.07.2025
Other sustainability certification	Name of Certification: RSPO Certificate No: RSPO 651276 Date of Certification: 24/3/2024 Date of Expiry: 6/2/2029
Other sustainability certification	Name of Certification: ISCC EU Certificate No: EU-ISCC-Cert-MY275-20243406 Date of Certification: 3/5/2024 Date of Expiry: 2/5/2025

2.1 Location Map

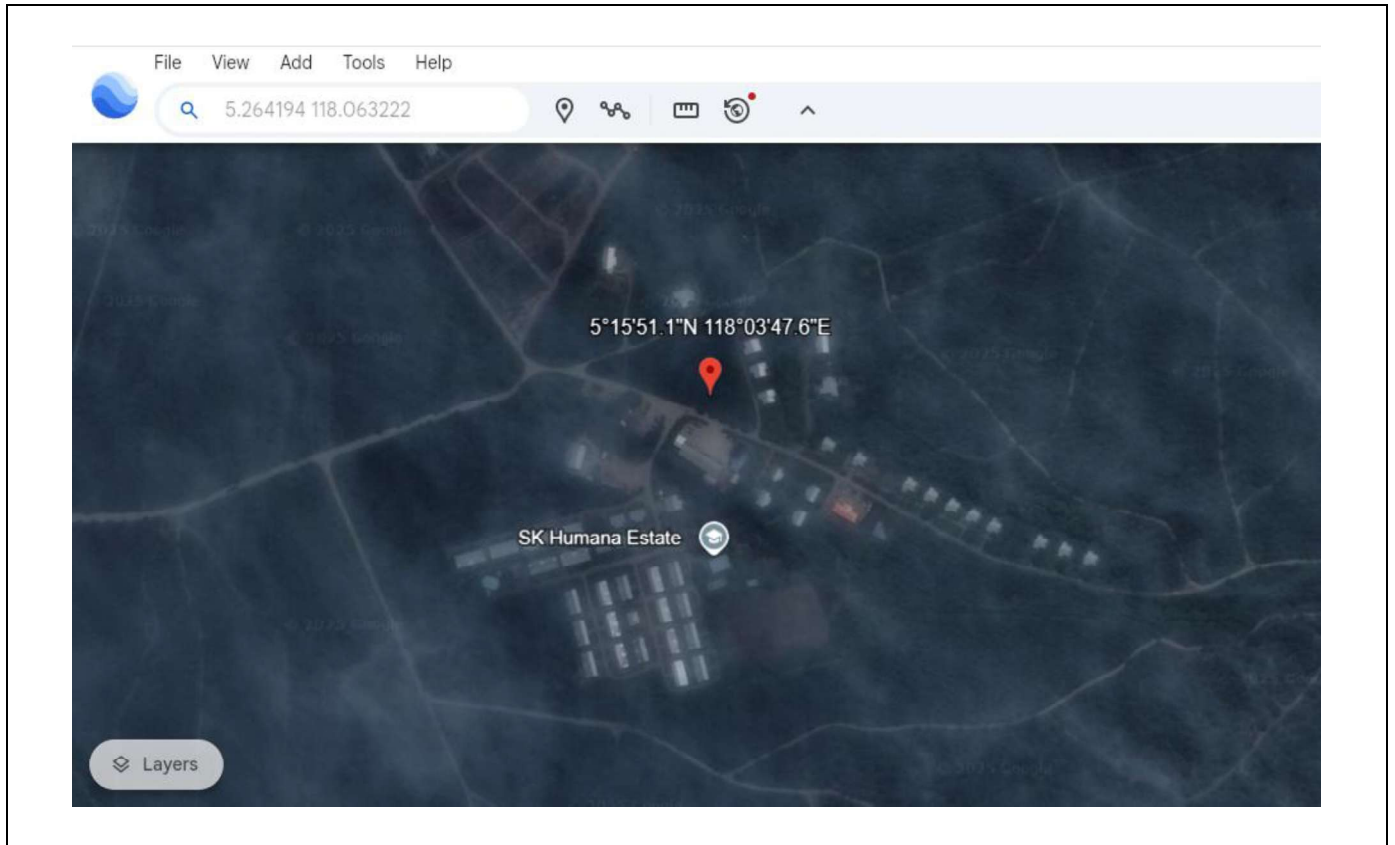
Map showing geographical location, with close-up of the certified entity (estates) with geographical coordinate map of appropriate scale, showing the location and external boundary of the certified area.

Estate: Melewar Estate 1
GPS Coordinate : 5°15'51.1"N 118°03'47.6"E

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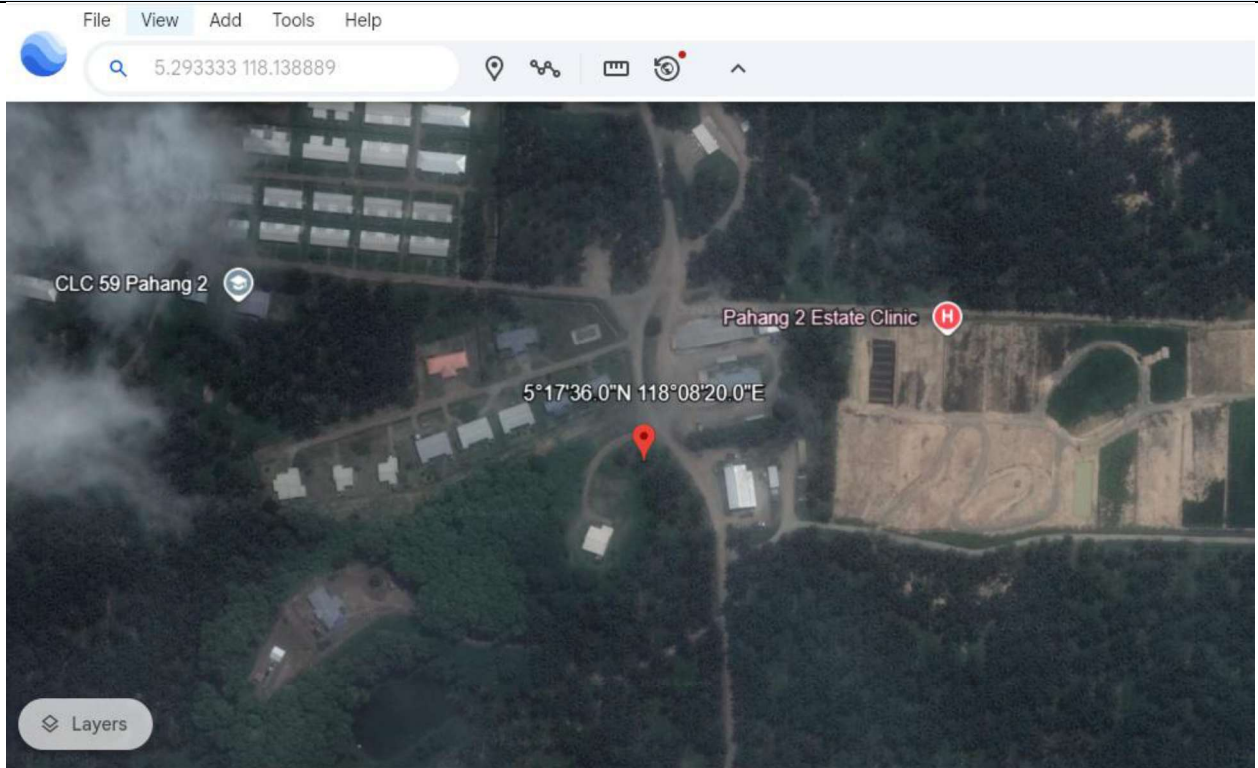


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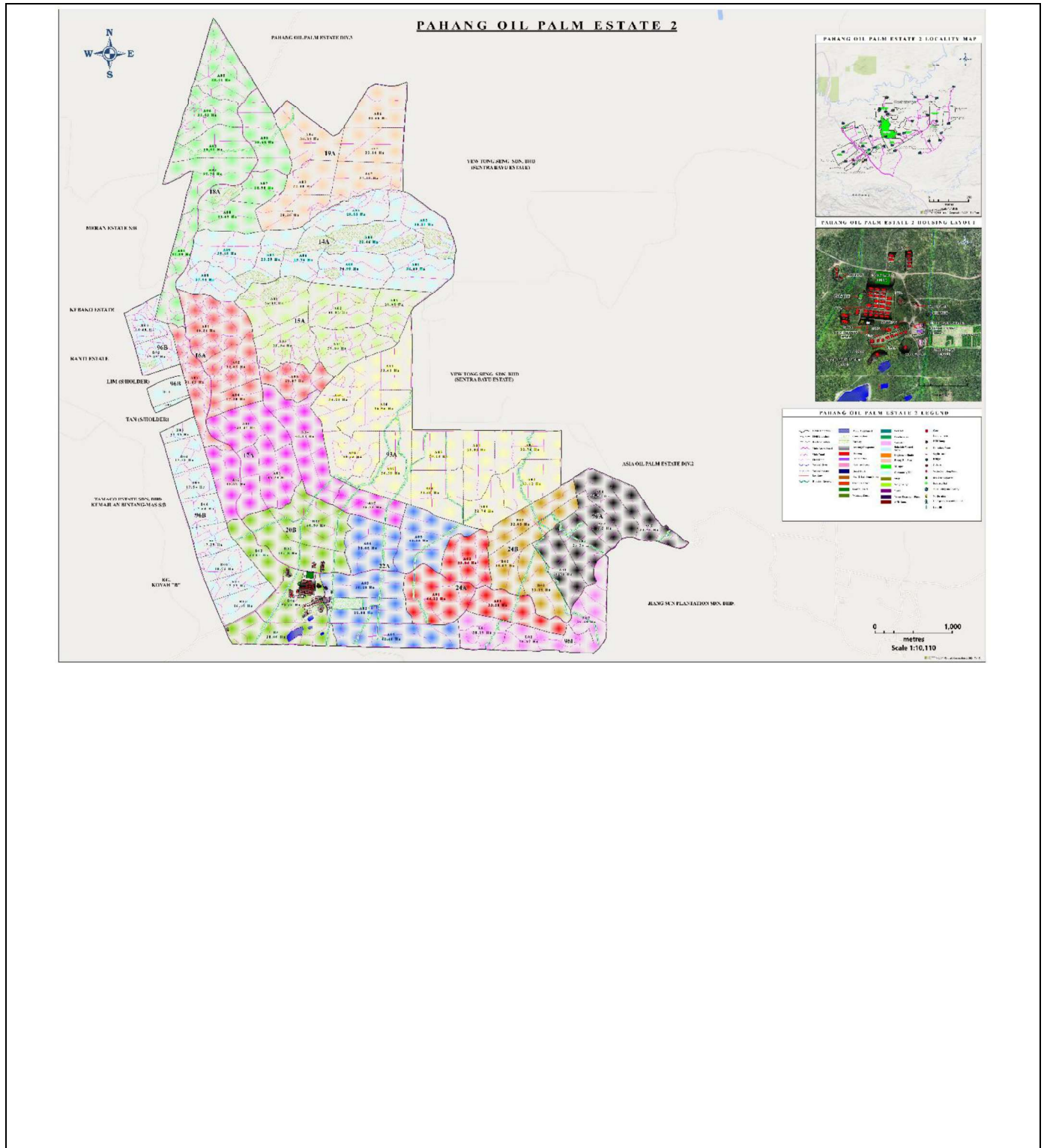
Estate: Pahang Oil Palm Estate 2
GPS Coordinate: 5°17'36"N 118°08'20.0"E



AUDIT REPORT_MS2530 PART 3.2_REV 14_20241014_MELEWAR PROPERTIES_RA_2025_UPDATED 02052025

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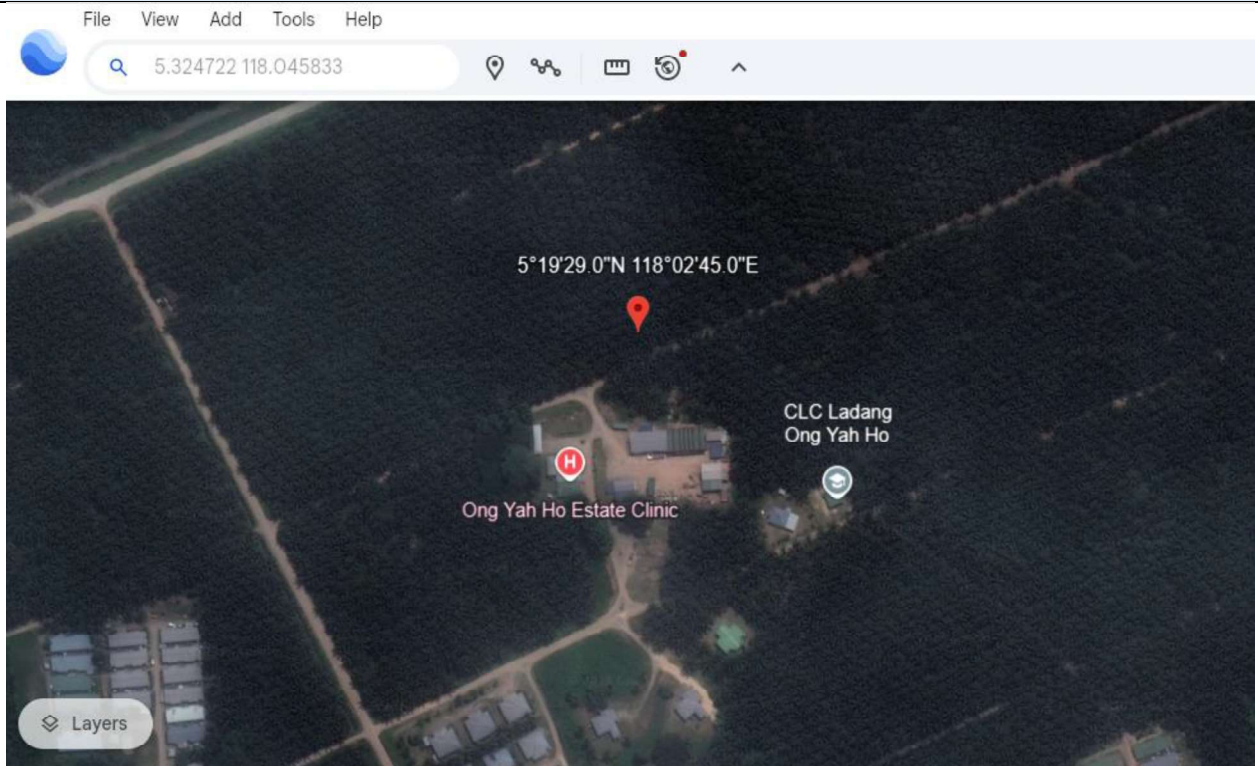
AUDIT REPORT_MS2530 PART 3.2_REV 14_20241014_MELEWAR PROPERTIES_RA_2025_UPDATED 02052025

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All aspects of the audit are considered confidential

Estate: Hwa Li 2

GPS Coordinate : 5°19'29.0"N 118°02'45.0"E



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3.0 Assessment Process

3.1 Certification Body

3.1.1 Audit Team Members

The qualification and competency criteria for the audit team members for this assessment as described below.

Name & Audit Role	Criteria	Description
Sarjit Singh Lead Auditor	Education <input checked="" type="checkbox"/> Tertiary <input checked="" type="checkbox"/> Secondary	1988 - Associate Diploma - Incorporated Society of Planters (AISP) 1969 - Higher School Certificate (HSC) 1967 - Senior Cambridge/Malaysia Certificate of Education (SC/MCE)
	Work Experience	52 years in the plantation Industry (Palm Oil Mill/Estate-Mill Admin/Estate Accounts/Estate Managerial positions) 1. 1972 - 1975 - Mill Clerk / Office Administration, Supervisor Palm Oil Mill Processing 2. 1975 - 1982 Group Mill Clerk, Storekeeper, Mill Supervisor, Estate 3 rd Clerk, 2 nd Clerk and Chief Clerk

		<p>3. 1982 – Sarawak - Chief Clerk / Instructor/Accounts-Admin Officer</p> <p>4. 1983 - Trainee Assistant/Assistant Estate Manager</p> <p>5. 1989 - Senior Assistant Estate Manager (S'wak/Peninsular)</p> <p>6. 1994 - Acting Estate Manager (N. Sembilan)</p> <p>7. 1995 - Estate Manager (N. Sembilan/S'wak)</p> <p>8. 1st Feb '99 - Senior Estate Manager (S'wak)</p> <p>9. 31st Jan - 2005 - Retired from AEB/I&P Group</p> <p>10. 1st Nov 2005 – January, 2010 - Plantation Manager in Miri, Sarawak</p> <p>11. July- December, 2020 - project</p> <p>- CH Williams Talhar Wong & Yeo – Miri.</p> <p>- Agronomic Consultancy on plantation- 4,856 hectares - Plantation in Liquidity</p> <p>12. 4 Feb., 2021 - Sime Darby - Appointment as freelance Planting Adviser – 2021- Sarawak</p> <p>2010 – present; Eco-Palma Enterprises – Sole proprietorship – Plantation/MSPO Consultancy</p>
	<p>Training</p>	<p>1. 23-27 April, 2018- MSPO MS2530:2013 Lead Auditor Course – DQS Certification</p>

		<p>2. 13-18th August 2018 - Lead Auditor Integrated Management Systems (IMS) ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified - SIRIM STS</p> <p>3. 13 -18th August 2018 - Integrated Environment, Health & Safety and Quality Lead Auditor Course - THE SYS 3 GROUP PTY LTD</p> <p>4. 13-14 November, 2018 Training Course for Peer Reviewers No: 2-18 on Oil Palm Management Certification - MPOCC</p> <p>5. 10-20 January, 2019 - SIRIM STS - MSPO SCCS Auditor Training</p> <p>6. March 2024 - ISO9001:2015 - Lead Auditor - SINCERA GSE CONSULTING- Certificate of Achievement - Exemplar Global</p> <p>7. MSPO MS 2530:2022 - Lead Auditor Training - Certificate of Achievement - DQS Academy - dated 23 October, 2024</p>
	Auditing Experience	Auditing experience in MSPO/SCCS since 2018 with DQS, NIOSH and PSV Certification Bodies, auditing various organizations in the oil palm industry
Shahrizal Rizuan Ambak Auditor	Education <input checked="" type="checkbox"/> Tertiary <input type="checkbox"/> Secondary	Graduated from Diploma in Planting Industry Management (DPIM) from UiTM Pahang in 1999.

	Work Experience	<p>Started as Cadet Assistant Manager from Dynamic Plantation Sdn Bhd (IOI) in 1999. Last position in one of the GLC in 2022 as Human Resource & Admin Manager.</p> <p>Join Certification Body (DQS) in 2016 as a freelancer for MSPO (inclusive MSPO SCCS) until present.</p> <p>Endorsed Trainer for MSPO 2.0 under DQS</p>
	Training	Has successfully completed 40 hours training in MS2530:2022, ISO 9001, SA 8000, IMS (14001 & 45001) lead auditor course and ISCC.
	Auditing Experience	Has experienced for more than Five (5) MSPO audit of various organization since 2016 and sustainability certification audits in ISCC since 2018.
Siti Baizurah Abdul Aziz	Education <input checked="" type="checkbox"/> Tertiary	Graduated from Bachelor Sc. In Plantation Management, in 2011 from UiTM

Lead Auditor Choose an item.	<input type="checkbox"/> Secondary	
	Work Experience	Started career as lecturer for Diploma in Planting Industry Management at UiTM Samarahan from 2011 until 2015 and as Project Officer at KTS Forests Management from 2017-2018. Joined certification body since 2019 as Lead Auditor until present.
	Training	Has successfully completed 40 hours training in MSPO LA Auditor Course, CQI & IRCA ISO 9001, IMS 9001, 14001 & 45001 Exemplar Global, RSPO SCC Lead Auditor Course and SA 8000.
	Auditing Experience	Has experience in more than three (3) MSPO audits of various organizations since 2019

3.2 Audit Plan

Audit plan / Auditplan	
	Version (date) 10/2/2025 Ref. no. 50450559
Company name	Melewar Properties Sdn. Bhd. (Melewar Production Unit)
Satellite office address (if applicable)	Group Plantation Controller Office

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	Melewar Estate Div. 1, Locked bag No.11, 91109, Lahad Datu, Sabah.
Site(s)	Plantation 1 Melewar Estate Div 1 Mukim Sg. Koyah, Kinabatangan, Sabah, Malaysia Plantation 2 Pahang Oil Palm Estate Div 2 Kinabatangan, Sabah, Malaysia Plantation 3 Hwa Li 2 Mukim Tenegang-Koyah, Kinabatangan 90200, Kinabatangan Sabah
Standard(s)	MS 2530-3-2:2022: General Principles for Oil Palm Plantations (more than 500 hectares)
Type of audit	Recertification Audit
Type of certification	Group Certification
Audit team	Lead Auditor: Sarjit Singh (SAR) Co-Auditor: Shahrizal Ridzuan Bin Ambak (SRA) Lead Auditor in Training: Siti Baizurah Bt Haji Abdul Aziz (SBA)
Audit scope	<i>Production of Sustainable Fresh Fruit Bunches from:</i> <i>14,728.60 ha total oil palm planted area</i> <i>16,399.77 ha total certified area</i>
Audit language	English, Malay Language
Audit date	3/3/2025 to 6/3/2025
Audit criteria	<ul style="list-style-type: none"> - Requirements of the mentioned standard (s) above - Relevant statutory, regulatory and contractual requirements for the management system developed by the client - DQS audit and certification regulations

Audit objective(s)

Recertification audit

- Evaluation of the performance of the management system over the period of certification /
- Review of previous surveillance audit reports /
- Review of effectiveness of measures arising from the previous audit (if applicable) /
- Evaluation of effectiveness of the management system in its entirety in the light of internal and external changes /
- Evaluation of demonstrated commitment to maintain the effectiveness and improvement of the management system /
- Evaluation of achievement of the organization's policy and objective /
- Customer specific requirements /
- Others / :
-

Time	Subject; process Process names as defined by client	Reference	Unit; department	Participants	Auditor(s)			R*
Date: Day 1- 3/3/2025- Melewar Estate Div 1								
					SAR	SBA	SRA	
0800	Opening Meeting		All	Management representative Auditors	/	/	/	
	Document review – Principle 1 – Management Commitment & Responsibility Criterion 4.1.1: MSPO Policy Criterion 4.1.2: New Planting Criterion 4.1.3: Existing Site Management Criterion 4.1.4: Replanting Criterion 4.1.5: Training and Competency	MS 2530:2022 Part 3-2	ME 1	Management representative		/		

0830	Document review – Principle 2 – Transparency Criterion 4.2.1: Communciation and Consultation Criterion 4.2.2: Traceability Criterion 4.2.3: Transparent and fair price dealing Criterion 4.2.4: Ethical Conduct	MS 2530:2022 Part 3-2	ME 1	Management representati ve	/			
	Document review – Principle 3 – Compliance to legal and other requirements Criterion 4.3.1: Regulatory requirements Criterion 4.3.2: Rights to use land Criterion 4.3.3: Native Customary Rights	MS 2530:2022 Part 3-2	ME 1	Management representati ve		/		
1030	Site Visit	MS 2530:2022 Part 3-2	ME 1	Management representati ve	/			
1200	Lunch Break / Prayer							

1300	Stakeholder Consultation					/		
	Document review – Principle 1 – Management Commitment & Responsibility Criterion 4.1.6: Economic and financial viability plan Criterion 4.1.7: Commitment to contribute to local sustainable development Criterion 4.1.8: Complaint and Grievances Handling Criterion 4.1.9: Internal Audit Criterion 4.1.10: Management Review	MS 2530:2022 Part 3-2	ME 1	Management representati ve		/		
	Document review – Principle 4: Responsibility to social, health, safety and employment conditions	MS 2530:2022 Part 3-2	ME 1	Management representati ve			/	

	<p>Criterion 4.4.1: Social Impact Assessment</p> <p>Criterion 4.4.2: Employee's safety and health</p> <p>Criterion 4.4.3: Employment Conditions</p> <p>Criterion 4.4.4: Living Conditions</p>							
	<p>Document review –</p> <p>Principle 5: Environment, natural resources, biodiversity and ecosystem services</p> <p>Criterion 4.5.1: Environmental management</p> <p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p> <p>Criterion 4.5.3: Waste Management and Disposal</p> <p>Criterion 4.5.4: GHG Emissions</p> <p>Criterion 4.5.5: Water Resources</p>	<p>MS 2530:2022 Part 3-2</p>	<p>ME 1</p>	<p>Management representative</p>	<p>/</p>			

	<p>Criterion 4.5.6: Environmental conservation and protection</p> <p>Criterion 4.5.7: Zero Burning Practices</p>							
1600	Auditor Discussion		ME 1	Management representative	/	/	/	
1700	End of Audit - ME1							

Time	Subject; process Process names as defined by client	Reference	Unit; department	Participants	Auditor(s)			R*
Date: Day 2- 4/3/2025 -Pahang Oil Palm Estate Div 2								
					SAR	SBA	SRA	
0800	Opening Meeting		All	Management representative Auditors	/	/	/	
0830	Document review – Principle 1 – Management Commitment & Responsibility Criterion 4.1.1: MSPO Policy Criterion 4.1.2: New Planting Criterion 4.1.3: Existing Site Management Criterion 4.1.4: Replanting Criterion 4.1.5: Training and Competency	MS 2530:2022 Part 3-2	POPE 2	Management representative		/		

	<p>Document review –</p> <p>Principle 2 – Transparency</p> <p>Criterion 4.2.1: Communication and Consultation</p> <p>Criterion 4.2.2: Traceability</p> <p>Criterion 4.2.3: Transparent and fair price dealing</p> <p>Criterion 4.2.4: Ethical Conduct</p>	<p>MS 2530:2022 Part 3-2</p>	<p>POPE 2</p>	<p>Management representative</p>	/			
	<p>Document review –</p> <p>Principle 3 – Compliance to legal and other requirements</p> <p>Criterion 4.3.1: Regulatory requirements</p> <p>Criterion 4.3.2: Rights to use land</p> <p>Criterion 4.3.3: Native Customary Rights</p>	<p>MS 2530:2022 Part 3-2</p>	<p>POPE 2</p>	<p>Management representative</p>		/		
1030	<p>Site Visit</p>	<p>MS 2530:2022 Part 3-2</p>	<p>POPE 2</p>	<p>Management representative</p>		/		
1200	<p>Lunch Break / Prayer</p>							

1300	Stakeholder Consultation					/		
	Document review – Principle 1 – Management Commitment & Responsibility Criterion 4.1.6: Economic and financial viability plan Criterion 4.1.7: Commitment to contribute to local sustainable development Criterion 4.1.8: Complaint and Grievances Handling Criterion 4.1.9:Internal Audit Criterion 4.1.10: Management Review	MS 2530:2022 Part 3-2	POPE 2	Management representati ve		/		
	Document review – Principle 4: Responsibility to social, health, safety and employment conditions	MS 2530:2022 Part 3-2	POPE 2	Management representati ve			/	

<p>Criterion 4.4.1: Social Impact Assessment</p> <p>Criterion 4.4.2: Employee's safety and health</p> <p>Criterion 4.4.3: Employment Conditions</p> <p>Criterion 4.4.4: Living Conditions</p>							
<p>Document review –</p> <p>Principle 5: Environment, natural resources, biodiversity and ecosystem services</p> <p>Criterion 4.5.1: Environmental management</p> <p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p> <p>Criterion 4.5.3: Waste Management and Disposal</p> <p>Criterion 4.5.4: GHG Emissions</p> <p>Criterion 4.5.5: Water Resources</p>	<p>MS 2530:2022 Part 3-2</p>	<p>POPE 2</p>	<p>Management representative</p>	<p>/</p>			

	<p>Criterion 4.5.6: Environmental conservation and protection</p> <p>Criterion 4.5.7: Zero Burning Practices</p>							
1600	Auditor Discussion		POPE 2	Management representative	/	/	/	
1700	End of Audit - POPE 2							

Time	Subject; process Process names as defined by client	Reference	Unit; department	Participants	Auditor(s)			R*
Date: Day 3- 5/3/2025- Hwa Li 2 Estate								
					SAR	SBA	SRA	
0800	Opening Meeting		All	Management representative Auditors	/	/	/	
	Document review – Principle 1 – Management Commitment & Responsibility Criterion 4.1.1: MSPO Policy Criterion 4.1.2: New Planting Criterion 4.1.3: Existing Site Management Criterion 4.1.4: Replanting Criterion 4.1.5: Training and Competency	MS 2530:2022 Part 3-2	HL 2	Management representative		/		

0830	Document review – Principle 2 – Transparency Criterion 4.2.1: Communciation and Consultation Criterion 4.2.2: Traceability Criterion 4.2.3: Transparent and fair price dealing Criterion 4.2.4: Ethical Conduct	MS 2530:2022 Part 3-2	HL 2	Management representati ve	/			
	Document review – Principle 3 – Compliance to legal and other requirements Criterion 4.3.1: Regulatory requirements Criterion 4.3.2: Rights to use land Criterion 4.3.3: Native Customary Rights	MS 2530:2022 Part 3-2	HL 2	Management representati ve		/		
1030	Site Visit	MS 2530:2022 Part 3-2	HL 2	Management representati ve	/			
1200	Lunch Break / Prayer							

1300	Stakeholder Consultation					/		
	Document review – Principle 1 – Management Commitment & Responsibility Criterion 4.1.6: Economic and financial viability plan Criterion 4.1.7: Commitment to contribute to local sustainable development Criterion 4.1.8: Complaint and Grievances Handling Criterion 4.1.9: Internal Audit Criterion 4.1.10: Management Review	MS 2530:2022 Part 3-2	HL 2	Management representati ve		/		
	Document review – Principle 4: Responsibility to social, health, safety and employment conditions	MS 2530:2022 Part 3-2	HL 2	Management representati ve			/	

	<p>Criterion 4.4.1: Social Impact Assessment</p> <p>Criterion 4.4.2: Employee's safety and health</p> <p>Criterion 4.4.3: Employment Conditions</p> <p>Criterion 4.4.4: Living Conditions</p>							
	<p>Document review –</p> <p>Principle 5: Environment, natural resources, biodiversity and ecosystem services</p> <p>Criterion 4.5.1: Environmental management</p> <p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p> <p>Criterion 4.5.3: Waste Management and Disposal</p> <p>Criterion 4.5.4: GHG Emissions</p> <p>Criterion 4.5.5: Water Resources</p>	<p>MS 2530:2022 Part 3-2</p>	<p>HL 2</p>	<p>Management representative</p>	<p>/</p>			

	<p>Criterion 4.5.6: Environmental conservation and protection</p> <p>Criterion 4.5.7: Zero Burning Practices</p>							
1600	Auditor Discussion		HL 2	Management representative	/	/	/	
1700	End of Audit-HL 2							

Time	Subject; process Process names as defined by client	Reference	Unit; department	Participants	Auditor(s)			R*
Date: Day 4- 6/3/2025								
					SAR	SBA	SRA	
0800	Auditor Discussion		All	All Estates	/	/	/	
1000	Group Closing Meeting		All	All	/	/	/	

3.3 Assessment Programme

3.3.1 Assessment Programme

Estate(s)	STAGE 2 / RA	AA1	AA2	AA3	AA4
	2025	2026	2027	2028	2029
Melewar Estate 1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pahang Oil Palm Estate 2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hwa Li Estate 2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gerola Estate	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tye Yang Estate	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Pahang Oil Palm Estate 3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.3.2 Previous Assessment

Type of assessment	Date of audit
Initial audit Stage 2	NA Click or tap to enter a date. Click or tap to enter a date.
Surveillance Audit 1	8/3/2021 to 12/3/2021 Click or tap to enter a date.
Surveillance Audit 2	14/3/2022 to 17/3/2022
Surveillance Audit 3	3/4/2023 to 6/4/2023
Surveillance Audit 4	22/4/2024 to 25/4/2025
Recertification Audit	3/3/2025 to 6/3/2025

3.3.3 Next assessment

Date of certification	5/7/2020
Date of expiry	4/7/2025
Proposed next certification	9/3/2026
Next certification type	Surveillance Audit 1

3.3.4 Information on management units to be audited in five years cycle.

3.3.5

Melewar Properties Sdn Bhd (Melewar Production Unit) comprises of 8 supply bases namely Pahang Oil Palm Estate 2, Pahang Oil Palm Estate 3, Melewar Estate 1, Hwa Li 2, Tye Yang Estate, Gerola Estate, Muis Melewar Plantation 1 and Muis Melewar Plantation 2 with total planted 16,297.67 hectares and total certified area is 20,262.72 hectares. All these estates are supplying FFB to Melewar Palm Oil Mill except Hwa Li 2 where they are supplying ffb crop to Lahad Datu Palm Oil Mill, which is also a JC Chang Group's Mill.

In this year 2025, Muis Melewar Plantation 1 and Muis Melewar Plantation 2 were excluded from the Group certification under Melewar Production Unit due to these estates being located in excess of 50 kilometres radius, which does not comply with the requirements, as stated in the revised MSPO standard 2022 for group certification.

As for this reduction, the total estates under Melewar Production Unit now comprise 6 estates with planted area reduced to 16,149.72 hectares whereas total certified area reduced to 14,504.67 hectares.

Further to that, there is also additional/expansion of land under Pahang Oil Palm Estate 2, with 12.11 hectares, and 237.94 hectares under Hwa Li 2. All land titles are available and as verified, and comply with the terms of land use as stated in the land titles. As for this additional area reported, the total planted area is added to become 16,399.77 hectares, with total area to be certified being 14,728.60 hectares.

4.0 Summary of Audit Results

1) One (1) Major Non-Conformity

2) One (1) Minor Non-Conformity

3) One (1) Opportunities for Improvement (OFI)

All findings have been acknowledged by management, and a detailed summary is provided in this report.

4.1. Overview of non-conformities

The following non-conformities were identified during this audit

Non-Conformity 1	NCR Ref. No	1-0559-RA-25	Issuance Date	6/3/2025
MSPO clause 4.4.1.1.-3;4.1.4.2.	A social impact assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigate negative impacts and promote positive impacts. Food security and child rights shall be incorporated as aspects to be assessed, if applicable.			
Statement of non-conformity	<p>Statement of nonconformity / Feststellung einer Abweichung:</p> <p>4.4.1.1 A social impact assessment shall be conducted with the participation of relevant stakeholders in accordance with guidelines provided by the scheme owner to mitigatenegative impacts and promote positive impacts. Food security and child rights shall beincorporated as aspects to be assessed, if applicable.</p> <p>4.4.1.2 The results of the assessment shall be incorporated into an appropriate management plan(s) and/or operational procedures and reviewed at periodic intervals.</p> <p>4.4.1.3 The SIA conducted shall be reviewed prior to replanting activities or at five-year intervals.</p>			

	<p>4.1.4.2 SIA, EIA and HCV assessments shall be conducted, or relevant management and monitoring plans shall be reviewed prior to any replanting activities. The results of the review shall be incorporated into the replanting programme.</p> <p>The organization has not conducted or established a Social Impact Assessment (SIA) report in accordance with MSPO guidelines. There is no evidence of stakeholder participation, assessment of social impacts (including food security and child rights where applicable), or integration of SIA results into management plans or operational procedures. Furthermore, no periodic reviews of an SIA have been documented, including prior to replanting activities or at five-year intervals, as required.</p> <p>Objective evidence / Objektiver Nachweis:</p> <p>There is No evidence of SIA report conducted as per SIA Guidelines and Approach for MSPO Standards</p>
<p>Classification</p>	<p><input checked="" type="checkbox"/> Minor <input type="checkbox"/> Major</p> <hr/> <p>For Major issuance, repetitive issue on the specific objective evidence was found</p> <p><input type="checkbox"/> Yes, immediate suspension <input type="checkbox"/> No</p>
<p>Root Cause Analysis, Correction(s) and Corrective action(s) <i>(to be completed by company)</i></p>	<p><u>Root Cause Analysis</u></p> <p>There is no trained person available in the group to conduct the SIA. In fact, that the guideline was released, no action being taken by the management to engage third party Assessor to conduct such assessment due to the responsible team which</p>

	<p>ICT are looking for the available SIA course to be attended with intention that the SIA will be conducted internally.</p> <p><u>Correction(s)</u></p> <p>Management has immediately contacted a few endorsed SIA Assessor to get the quotation to conduct SIA for the whole group. Upon obtaining at least 3 quotations, ICT will forward the quotations to the group sustainability manager for selection. Appointed Assessor will conduct the SIA assessment as soon as possible.</p> <p><u>Corrective Action(s)</u></p> <p>In the event that there is a new revision or established standards and guidelines which required by MSPO in future, prompt action will be taken by the management to implement whatsoever necessary to in line with the requirement from time to time.</p>
<p>Evidence of effectiveness <i>(to be completed by auditor)</i></p>	<p>The management is in the process of appointing an SIA assessor, as seen vide the quotation.</p>
<p>Conclusion</p>	<p>Effectiveness on implementation will be verified on next surveillance audit.</p>
<p>Status</p>	<p><input type="checkbox"/> Open</p> <p><input checked="" type="checkbox"/> Closed, on 2/5/2025</p> <p><input type="checkbox"/> Upgrade to Major NC</p> <p><input type="checkbox"/> Suspension, on Click or tap to enter a date.</p> <p><input type="checkbox"/> Withdrawal, on Click or tap to enter a date.</p> <p>Remark:</p>

<p>Non-Conformity 2</p>	<p>NCR Ref. No</p>	<p>2-0559-RA-25</p>	<p>Issuance Date</p>	<p>6/3/2025</p>
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<p>MSPO clause 4.4.3.5</p>	<p>The organisation shall ensure that employees' (including employees of contractors) pay and conditions, working hours and breaks of each employee, wages and overtime payments documented on pay slips shall comply with legal requirements and where applicable, Collective Agreements.</p>
<p>Statement of non-conformity</p>	<p>Statement of nonconformity / Feststellung einer Abweichung:</p> <p>4.4.3.5 The organisation shall ensure that employees' (including employees of contractors) pay and conditions, working hours and breaks of each employee, wages and overtime payments documented on pay slips shall comply with legal requirements and where applicable, Collective Agreements.</p> <p>1. Annual Leave Pay for Piece-Rated Workers</p> <p>The organization does not comply with the Sabah Labour Ordinance (SLO) Section 104D(6), which mandates that employees on paid annual leave be paid their ordinary rate of pay (ORP) for each day of leave. While the annual leave pay for daily-rated workers aligns with the SLO, the calculation for piece-rated workers (e.g., harvesters, sprayers) does not reflect their ordinary rate of pay. Instead, the payment method deviates from the legal requirement, as piece-rated workers are not paid an ORP equivalent during annual leave, contrary to the SLO stipulation that such employees should receive a consistent wage reflective of their ordinary earnings.</p> <p>(SLO 104 D (6) – the employer shall pay the employee his ordinary rate of pay for everyday of paid annual leave, and an employee on a monthly rate of pay shall be deemed to have received the annual leave pay if he receives his monthly wages, without abatement in respect of such annual leave, for the month in which he takes such annual leave.)</p> <p>2. Minimum Wages for Piece-Rated Workers</p> <p>The organization has not fully implemented the Minimum Wages Order 2024, effective 1 February 2025, for piece-rated workers. While daily-rated workers are planned to receive the new minimum wage rate, the wages for piece-rated workers (e.g., those paid based on piece rate, tonnage, or task) remain based</p>

	<p>solely on output and do not yet meet the mandated minimum monthly wage of RM1,700.00, as required for employees not paid basic wages. The management has acknowledged this gap but has not finalized or applied the minimum wage rate to piece-rated workers, resulting in non-compliance with the legal minimum wage requirement as of the audit date.</p> <p>(Minimum Wages Order 2024 with effect from 1 February 2025 - (2) In relation to an employee who is not paid basic wages but is paid wages based only on piece rate, tonnage, task, trip or commission, the rate of monthly wages payable to that employee with effect from 1 February 2025 shall not be less than RM1,700.00.)</p> <p>Objective evidence / Objektiver Nachweis:</p> <ol style="list-style-type: none"> 1. Annual Leave Pay The amount payable is not in line as per Sabah Labor Ordinance 104 D (6). 2. Minimum Wages Order 2024 Disparity between daily-rated and piece-rated upon the exercise of wages payment - (Daily rated received the MWO 2024 rate whilst the piece-rated are pending for decision).
Classification	<input type="checkbox"/> Minor <input checked="" type="checkbox"/> Major
	<p>For Major issuance, repetitive issue on the specific objective evidence was found</p> <input type="checkbox"/> Yes, immediate suspension <input checked="" type="checkbox"/> No
Root Cause Analysis, Correction(s) and Corrective action(s) <i>(to be completed by company)</i>	<p><u>Root Cause Analysis</u></p> <ol style="list-style-type: none"> 1. Management is aware on the requirement of annual leave payment should be based on the ordinary rate pay of the worker's wages but the implementation is not done according to the legal requirement. The implementation is done according to result of consultation with Labour Department where the officer has mentioned that there is no objection if management are paying workers annual leave based on daily rated basis as long as the leave is paid according to workers entitlement. Due to this, non-compliance was raised as payment rate basis for the annual leave is not according to legal requirement. 2. The piece rate list is yet to be revised by head office as the proposal of new rate for all estate is yet to be received by head office. Furthermore, head office has requested to all operating units to propose their method on how to increase worker productivity. The purpose is to analyze the

	<p>practicality and effectiveness of the proposed method towards workers productivity in order to achieve minimum wages of RM 1,700. Anyhow, there is delay from the operating units to provide the proposal of new rate and the method to increase productivity which cause the delay in the decision making. Due to this, non-compliance is raised.</p> <p><u>Correction(s)</u></p> <p>Management immediately carried out consultation with the Department of Labour to clarify on the issue raised to get the clear view on LAW requirement and the statement from the officer during previous consultation. All operating units were informed to perform payment of annual leave should be based on ordinary rate of pay basis.</p> <p><u>Corrective Action(s)</u></p> <p>Implementation of payment rate for annual leave will be set in the system to be paid according to ordinary rate of pay. Any revision of minimum wages standard in future, estate management will send proposal of revised piece rate list to head office prior to the official date of official circular from government so that the decision can be made earlier. This to prevent delay in decision making which may affect the implementation of the legal requirement.</p>
<p>Evidence of effectiveness <i>(to be completed by auditor)</i></p>	<p>Follow up action by the management is in line with legal requirements as stated in their above statements. Future compliances shall be reviewed in the next surveillance audit.</p>
<p>Conclusion</p>	<p>Follow up action by the management is in line with legal requirements as stated in their above statements. Future compliances shall be reviewed in the next surveillance audit.</p>
<p>Status</p>	<p><input type="checkbox"/> Open</p> <p><input checked="" type="checkbox"/> Closed, on 2/5/2025</p>

	<input type="checkbox"/> Upgrade to Major NC <input type="checkbox"/> Suspension, on Click or tap to enter a date. <input type="checkbox"/> Withdrawal, on Click or tap to enter a date. Remark:
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4.1.2 Summary and status of audit findings on previous year

The following findings were raised during the previous year's audit.

No non-conformities were identified during the previous year's audit

Category	NCR Ref. No	Previous year's status	Implementation of agreed corrective action
-	-	N/A	<input type="checkbox"/> Effective <input type="checkbox"/> Not effective <input checked="" type="checkbox"/> Not applicable

4.1.3 Review and follow up on previous open audit findings

The followings open non-conformities from the previous year's audit have been verified.

There are no open non conformities from the previous year's audit

4.2 Overview of Opportunity for Improvement (OFI)

The following Opportunity for Improvement (OFI) were identified during this audit

No	MSPO Clause	Statement
1.	4.4.2.2 Criterion 2: <i>Employee's safety and health</i> (f) <i>Emergency preparedness and response;</i>	<p>Melewar 1 Estate</p> <p><i>The metal door at the entrance of the chemical store is only able to open at about 45° due to being blocked by the corridor pavement and drain blocking it to open fully. This can cause evacuation delays in the event of an emergency.</i></p> <p><i>It would be better to make the door fully retractable; This would require the corridor area to be widened to make this possible. The sliding door seen at the other estate was seen to be more practical.</i></p>

4.3 Stakeholders Consultation

Stakeholder consultation process was conducted by taking samples from the list of stakeholders established by MELEWAR PROPERTIES SDN BHD (Melewar Production Unit) Group Certification to capture the view, opinion, and expectation of interested parties as a result of operation run by the organization.

1	Contacted stakeholders	<p>Government Agency- JTK Sabah Cawangan Kinabatangan.</p> <p>Puan Hali Faradibah (089-561967)</p>
	Response	<p>No issues related to complaint on employment condition for all sampled estates. Based on review of previous year record, FY2023 till today, there is no record of complaint filed by the employees towards the estates.</p>
2	Contacted stakeholders	<p>Neighboring Estate for POPE 2- Sentrabayu Industries Sdn Bhd</p> <p>Ms Chong (016-8130962)</p>

	Response	No issues related to boundary or land use rights. Continue to maintain good relationship with estate management. Attended the stakeholder meeting and have maintained good communication with estate representative.
3	Contacted stakeholders	Local Communities- Kpg Koyah B Muhd Jaiz
	Response	Has been residing in the village from 1990's. No polluting activities reported from estate operations. Attended stakeholder meeting which act as one of the communication channels for local communities to communicate with estate representative. Confirms that some of the villagers are working with the estate and priority of job opportunities is given to the local people. Maintains to have good relationship with estate.
4	Contacted stakeholders	Contractor- Hin Fatt Dev. Contractor Mr Chong
	Response	Involved with the replanting project development with the estate. Verified that contract agreement signed in a fair manner and understands the terms and conditions stated. Payment is received at timely manner and no issues raised against the estate. Maintain to have good relationship with estate.

Management feedback	All comments were duly noted by the management.
Auditor comments	No issues were found during the audit with regards to the stakeholders

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.4 Audit Summary and Recommendation for Certification



This report details the audit results including strengths, opportunities, and weaknesses. These results were presented to your management at the closing meeting of the audit. You can use these results to improve the effectiveness of your management system. We look forward to continuing our partnership towards sustainable business success.

In reference to MS 2530:3-2:2022, the audit team recommends to DQS:

- Issuance of the certificate
- Issuance of the certificate as soon as implementation of corrective actions has been demonstrated
- Maintenance of the certificate
- Maintenance of the certificate as soon as implementation of corrective actions has been demonstrated
- Not applicable, due to extraordinary type of report

Please remember to notify DQS about any significant change to your management system at your earliest convenience. Together we will then coordinate appropriate measures to maintain your current certification

5.0 Official Acknowledgement of the Assessment Findings

	
Lead Auditor: SARJIT SINGH	Management Representative: Edwerd Berian @ Florian

Date: 12/3/2025	Date: 3/4/2025
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